



MUFG Sustainability Report 2022

Mitsubishi UFJ Financial Group



Editorial Policy

Sustainability Report/Website Editorial Policy

The Sustainability Report is a PDF version of Mitsubishi UFJ Financial Group's (MUFG) website (Sustainability) to provide stakeholders with a summary of MUFG's sustainability initiatives. This report and website are designed to provide stakeholders with a better understanding of MUFG's sustainability initiatives aimed at realizing a sustainable environment and society and sustainable growth. We also aim to continuously expand our information disclosure.

Please refer to our website, along with the MUFG Report 2022 (JGAAP) for more information on our sustainable value creation mechanism and financial data.

Publication information

Period Subject to Reporting

FY2021 (April 1, 2021 to March 31, 2022)
(Includes some information from FY2022)

Definitions of Specific Terms Used in This Report

Mitsubishi UFJ Financial Group, Inc. and its subsidiaries and affiliates	: MUFG/The Group
MUFG Bank, Ltd.	: The Bank
Mitsubishi UFJ Trust and Banking Corporation	: The Trust Bank
Mitsubishi UFJ Securities Holdings Co., Ltd. and its subsidiaries	: The Securities
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	: MUMSS
Mitsubishi UFJ NICOS Co., Ltd.	: NICOS

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Message from the CEO

Hironori Kamezawa
President and Group CEO



Addressing Environmental and Social Issues

We believe that empowering members of society to effectively confront environmental and social issues is an integral part of our mission as a financial institution.

Pursuing All-Out Efforts in Climate Change Measures

The ongoing trend toward decarbonization is expected to result in major changes in global industrial structure which, in turn, will position MUFG and its customers to address risks affecting their business continuity as well as seize opportunities for growth. Aiming to realize smooth transition to a decarbonized society and creating a sustainable society by fostering a virtuous cycle between the environment and economy, we have been promoting our climate change-related initiatives at a robust pace since announcing the MUFG Carbon Neutrality Declaration in May 2021. In April 2022, we published the MUFG Progress Report and announced interim targets to achieve net zero greenhouse gas (GHG) emissions from our financed portfolio in the power and oil & gas sectors. In June, all MUFG companies in Japan shifted contracted electricity to 100% renewable energy.

To realize carbon neutrality, it is important not only to achieve net zero GHG emissions in our own operations but also support the decarbonization efforts of our customers. Thus far, MUFG has furthered customer engagement with about 550 companies in Japan and overseas to identify the challenges and needs of each customer. Through these engagement efforts, we have simultaneously been reinforcing a diverse range of services to respond to identified needs, such as helping calculate their GHG emissions and TCFD-disclosure consulting services. In September, we drafted the MUFG Transition White Paper to bundle extensive information about decarbonization initiatives at Japanese companies, the environment surrounding energy policy in Japan, and other such topics, in addition to engaging in an exchange of ideas with policymakers overseas. By genuinely supporting customers tackle their challenges, I hope MUFG can drive decarbonization efforts together.

As a leading global company, MUFG engages and plays our part in international initiatives that meet pressing issues head-on. The Net-Zero Banking Alliance (NZBA) is one such initiative in which we are committed to communicating our views as an Asian representative in the Steering Group. We are also a member of its six working groups and chair of one, where we are directly involved in developing an international framework for transition financing.

MUFG will continue to contribute to decarbonization initiatives globally through engaging with clients, supporting technological advances that promote decarbonization, establishing rules, commercialization, market creation, and many other such measures.

Responding to Social Issues

“Response to the aging population & low birthrate” is a challenge with particularly strong ties to MUFG business operations. As a financial institution in Japan, which has one of the highest rates of aging in the world, contributing to the resolution of issues arising from this ongoing shift in social structure is an integral part of our responsibilities as a financial institution. We are therefore striving to raise our abilities to accommodate customer needs associated with business and asset succession, along with other needs; to create channels to offer better access for the elderly; and to expand more comprehensive services utilizing digital technologies. To support the healthy upbringing of children and students who will shape the next generation, we promote social-contribution activities outside our areas of business. One such effort has established the Ashinaga MUFG Scholarship Fund for high-school students wishing to attend university, as well as university students studying science.

Aiming to Become Resilient

We cannot continue to contribute to solving ever-more complex and diverse environmental and social issues without becoming a resilient organization ourselves. Therefore, investments in human capital—the most important capital—is essential to create a favorable environment where employees can work energetically and enhance their ability to provide value to stakeholders as well as promote better “Inclusion and Diversity (I&D) ”.

As the business environment changes at unprecedented speed, MUFG must secure human resources capable of responding productively to these changes. MUFG invests in employees’ opportunities to progress their careers in pace with these changes in the business environment, such as providing opportunities to take on new challenges and to learn, and implementing a digital-skill certification program that offers reward toward earning specific qualifications.

To adapt with flexibility to environmental changes, we also must harness a wide range of ideas and points-of-view. In the appointment of female employees, for example, we have made some progress, raising our fiscal 2023 target for the ratio of female managers in Japan to 20%. This is why, starting in fiscal 2022, we tied our executive officers’ financial compensation to their effectiveness in promoting I&D.

Moreover, diversity is not just about biological or social characteristics. It involves creating an atmosphere where an individual can develop “intrapersonal diversity” as well—the personal ability to absorb, synthesize, and internalize new stimuli with curiosity and caring—which leads to understanding not only others but ourselves. If each individual employee successfully expanded “intrapersonal diversity” even incrementally, this would collectively add a substantial dimension of diversity to our organization.

Promoting Sustainability Management

Based on awareness that MUFG can grow only if society is sustainable, we have been engaging in value creation by employing an integrated approach in which the execution of management strategies goes in tandem with the pursuit of solutions for social issues. In a time when various environmental and social issues are becoming more important than ever, MUFG is striving to become more keenly focused on circumstances of change in the world, and more flexible in responding to the unexpected without overlooking signals of change.

To achieve our purpose of “Empowering a brighter future.”, we will continue to practice sustainability management and contribute to the realization of a sustainable environment and society throughout our team of Group members across the globe.

We ask for your continued understanding and support.

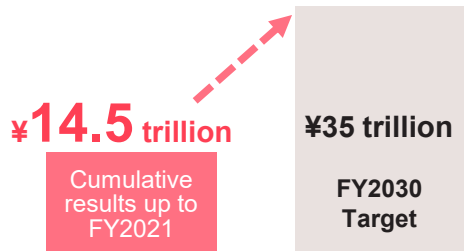
President and Group CEO



Sustainability Highlights

Sustainable Finance

Cumulative amount of execution between FY2019 to FY2030 is 14.5 trillion yen, a progress rate of approx. 41%



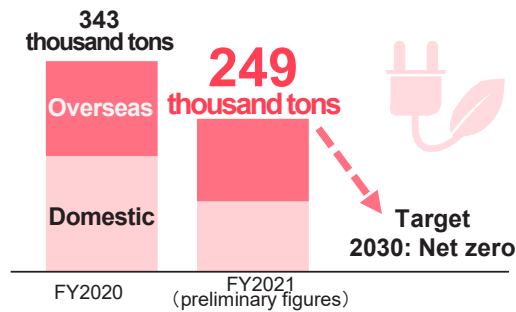
Set an Interim 2030 Targets for the Power and Oil & Gas Sectors

With an eye to achieving net-zero GHG emissions from our financed portfolio by the end of 2050, we have set interim targets for 2030.

	Result (2019)	Target (2030)
Power sector	349 gCO ₂ e/kWh	156-192 gCO ₂ e/kWh
Oil & gas sector	83 MtCO ₂ e	Base year 2019 Reduction rate 15-28%

GHG Emissions from Our Own Operations (Scope1,2)

Completely shift to 100% renewable energy for the electricity procured in Japan



Compiled GHG emission data on a global group-wide in preparation for net zero in 2030

Set a Target to Reduce the Balance of Corporate Finance for Coal-Fired Power Generation

In addition to pursuing our conventional reduction target for the credit balance targets for coal-fired power generation projects, we have set a target to reduce the balance of corporate finance for coal-fired power generation.

	FY2020	FY2021	Target
Project finance	US\$3.77 billion	US\$2.95 billion	Reduce to zero by FY2040
Corporate finance	Approximately ¥120.0 billion	Approximately ¥90.0 billion	Reduce to zero by FY2040

Engagement Activities

Japanese and non-Japanese customers

approximately 550



Disclosure Based on TCFD Recommendations

Scenario Analysis

Energy

Utilities

Automobile

Steel

Maritime

Air

Carbon-Related Assets

Energy

Utilities

Transport

Material and building

Agriculture, foods, forestry products

Expansion of Disclosure Sectors

Revision of the MUFG Environmental and Social Policy Framework

Periodic reviews of the policy framework in response to changes in business activities and the business environment to materialize environmental and social considerations.

Environment-Related Sectors

Mining (coal)

Palm oil

Oil & gas

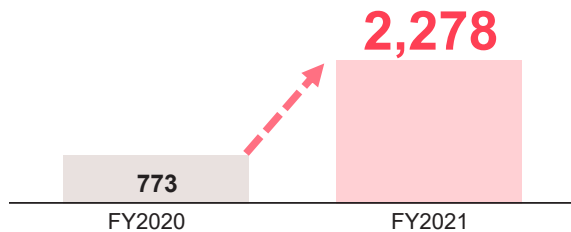
Materialize Measures for Natural Capital and Biodiversity

Started collecting information, participating in discussions on formulating a framework, and analyzing risks related to natural capital

Endorsement of TNFD
(Taskforce on Nature-related Financial Disclosures)

Number of Job Challenge Program Applicants

The Job Challenge program offers opportunities for each applicant to take on tasks within the Group in a way that aligns with their desires regardless of the entity they belong to.



Education and Training Expenses

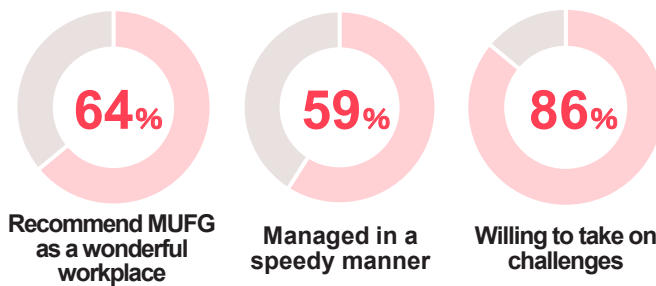
Nurturing Employees and Encouraging Them to Pursue Personal Transformation

Approx. ¥3,090 million

Of this, expenses for digital literacy training:
Approx. ¥540 million

(Sum of results for the Bank, the Trust Bank and MUMSS)

MUFG Employee Survey



MUFG Way × My Way

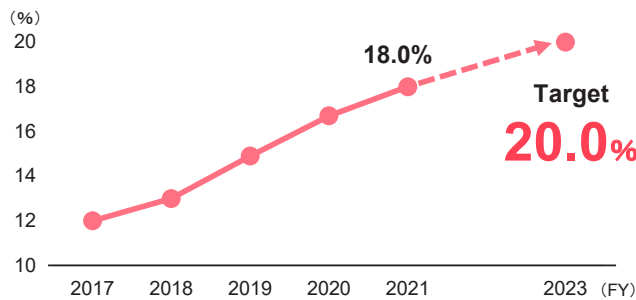
we held MUFG Way Integration Sessions with the objective of encouraging employees to discover how relevant the MUFG Way is to their day-to-day tasks and actions.



Involved more than 50,000 employees.

Ratio of Women in Management in Japan

Having achieved our fiscal 2023 target of raising the ratio of women in management to 18.0% ahead of schedule, we have upwardly revised the target to 20.0% in fiscal 2022.

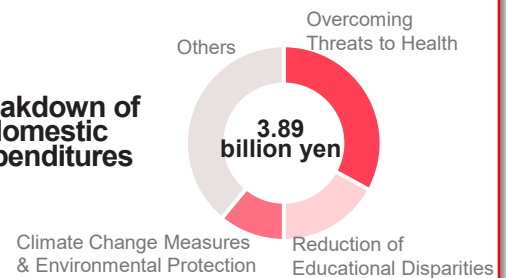


Expenses for Social Contribution Activities

Japan and overseas

8.15 billion yen

Breakdown of domestic expenditures



ESG Evaluation (As of September 2022)

MSCI	S&P Dow Jones	CDP	FTSE	Sustainalytics
A	74 (Percentile rank)	B	3.9	18.4

Toyo Keizai SDGs Corporate Ranking 500



2nd Overall
1st in Financial Institutions



Nikkei SDGs Management Survey

★★★★★
(highest rating)

Environment

Disclosure Based on TCFD Recommendations

Governance

- The Board of Directors and other various committees deliberate on initiatives to achieve carbon neutrality
- For management who evaluates and manages risks and opportunities related to climate change, we hold opinion exchange meetings with external advisors and study sessions with experts
- Started to review the performance-linked indicators for executive compensation from FY 2021 and reflected the degree of improvement found through the external ratings granted by five major ESG rating agencies

Strategy

- Disclosed the progress after releasing the MUFG Carbon Neutrality Declaration in the MUFG Progress Report (April 2022)
 - Net zero GHG emissions across its finance portfolio by 2050
Setting and disclosure of interim targets for 2030 for the power and oil & gas sectors
 - Net zero GHG emissions in its own operations by 2030
Made progress on measuring global group-wide GHG emissions
Shift to 100% renewable energy for the electricity procured domestically by the Bank, the Trust Bank, the Securities HD, NICOS and ACOM
 - Contributing to Global Initiatives

GFANZ (Glasgow Financial Alliance for Net Zero)	NZBA (Net-Zero Banking Alliance)
Through the GFANZ working groups, MUFG has been discussing net zero initiatives across financial sector as well as recommendations from the financial industry to other industries.	MUFG has been contributing as an Asian representative in the Steering Group. We were appointed Chair of the Financing & Engagement working group. MUFG leads the development of a global framework for transition finance.
ATFSG (Asia Transition Finance Study Group)	NZAM (Net Zero Asset Managers initiative)
MUFG plays a leading role in the group and contribute to discussions on common principles and standards necessary to achieve a “realistic and gradual energy transition in Asia.”	MUFG will set an interim target for 2030 by October 2022 for the proportion of assets under management consistent with achieving net zero GHG emissions by 2050.

- A Carbon Neutral Project Team consisting of nine working groups was established, and progress and policies were discussed at the Steering Committee with the CEO. The Sustainability Committee deliberates on response policies as well as the status of initiatives, and reports them to the Board of Directors
- Development and provision of decarbonization solutions and engagement activities based on the needs of customers
 - Strengthen sustainable business through engagement activities with Japanese and non-Japanese customers
 - Development and provision of solutions, such as TCFD consulting and financing schemes that add incentives to promote reduction of GHG emissions, in order to support customers' decarbonization and capture business opportunities
- Promotion of the use and popularization of renewable energy through project finance and fund creation
- Expansion of the target sectors and the calculation period for scenario analysis
 - Steel, air and maritime transportation sectors were added to transition risk analysis targets (around 1.5 billion yen to 28.5 billion yen on a single-year basis)
 - Extension of calculation period of physical risk analysis from 2050 to 2100 (around cumulative 115.5 billion yen)

Risk Management

- To consider a management framework for risks related to climate change, a project team is established with the Group Chief Risk Officer (CRO) as the lead and with participation of the CROs from the Bank, Trust Bank and Securities, as well as regional CROs.
- Revision of the MUFG Environmental and Social Policy Framework
 - strengthened and revised policies for the climate-related sectors (palm oil, mining (coal) , and oil and gas sectors) .

Metrics and Targets

- Setting of interim targets for 2030 for the power and oil & gas sectors for financed portfolio GHG emissions reductions.
- Aggregation of MUFG's GHG Emissions on a group and global basis for net zero GHG emissions from own operations, and completed shift to 100% renewable energy for electricity procured domestically. Measurement of the actual results for FY 2021 (preliminary figures)
- Setting of the sustainable finance goals for the cumulative amount executed from FY 2019 to FY 2030. The cumulative amount of execution until FY 2021 is 14.5 trillion yen, with a progress rate of approximately 41%.
- Expansion of carbon-related assets (credit amounts) disclosure sectors (addition of transportation, materials & buildings, agriculture, food, and forest products sectors)
- Setting of a new target to reduce the balance of credits amounts related to coal-fired power generation (corporate finance) to zero by 2040. Corporate finance and project finance balances for coal-fired power generation decreased year-on-year in FY 2021.

Natural Capital and Biodiversity

- Endorsement of Taskforce on Nature-related Financial Disclosures (TNFD) forum and started to analyze natural capital risks

Social

Human Resources Strategy

- MUFG positions human capital as one of its most important types of capital. MUFG works on nurturing professionals/reskilling, improvement in employee engagement, and promote inclusion & diversity
- Expansion of the Career Challenge System, such as an in-house job-posting program, to empower employees to pursue personal growth and take on challenges as well as to support their autonomous efforts to develop their career paths. Disclosure of education and training expenses, etc. as indicators of human capital
- In order to promote Culture Transformation, MUFG promotes measures to establish "challenge and speed" as a pattern of action and to create workplaces where people feel "job satisfaction" to improve engagement. Disclosure of relevant MUFG Employee Survey results

Inclusion & Diversity (I&D)

- From FY2022, we added inclusion & diversity targets to qualitative assessment indicators for determining the amount of bonuses vis-à-vis the execution status of the recipients' duties.
- From FY2022, the target for the ratio of women in management is raised from 18% to 20%
- Introduction of career development system and opinions of male employees who have taken childcare leave as well as people with disabilities

Corporate Social Responsibility Activities

- Establishment of five priority areas and our underlying thoughts and values for social contribution activities such as "Development of the Next Generation and Support for Children"
- Support using a framework in which a certain percentage of profits are contributed, and focus on MUFG SOUL implemented by employees through their own volition

Governance

- Expansion of the disclosure of our Global Financial Crime Policy, Basic Stance toward Tax, and our efforts to protect personal information

External Evaluation

- Newly selected as a constituent of the MSCI Japan ESG Select Leaders Index
- The initiatives of the Group companies were highly evaluated, including the 3rd ESG Finance Awards Japan Gold Award
- Evaluation improvement by ESG rating agencies (MSCI, FTSE, Sustainalytics, etc.)
- Second rank overall and first in finance in Toyo Keizai award, and the highest five-stars rating in the Nikkei SDGs

Sustainability Management

▼ Approach to Sustainability ▼ Promotion of Sustainability ▼ Sustainable Finance ▼ Stakeholder Engagement

Approach to Sustainability

Sustainability Management

With the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG, we will engage in value creation employing an integrated approach in which the execution of management strategies goes in tandem with the pursuit of solutions for social issues.

MUFG Way and Code of Conduct

MUFG Way

MUFG Way serves as the basic policy in conducting our business activities, and provides guidelines for all group activities.

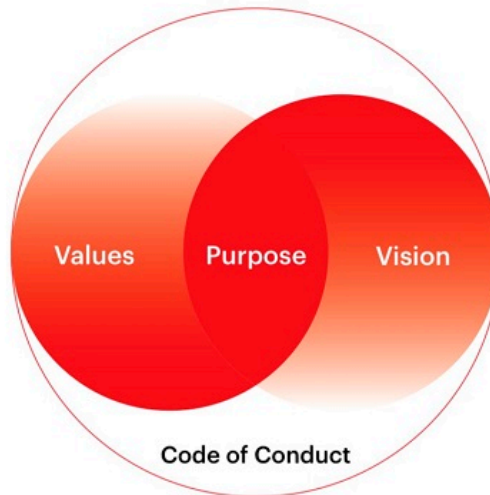
MUFG Way also is the foundation for management decisions, including the formulation of management strategies and management plans, and serves as the core value for all employees.

Our Purpose, "Committed to empowering a brighter future." expresses our determination to help all our stakeholders take the next step forward. It is our view that our Purpose, as the starting point for all business activities, gives direction and force to the strategies included in our Medium-term Business Plan, allowing us to contribute further to realizing a sustainable society.

MUFG Way

What is the MUFG Way

MUFG Way serves as the basic policy in conducting our business activities, and provides guidelines for all group activities. MUFG Way also is the foundation for management decisions, including the formulation of management strategies and management plans, and serves as the core value for all employees.



Purpose

Committed to empowering a brighter future.

Today, all of our stakeholders are striving to overcome challenges and find a way to the next stage toward sustainable growth. We at MUFG will make every effort to help realize these goals. This will be our unchanging purpose now, and into the future.

Values

In addition to our unchanging primary value of "Integrity and Responsibility," we also value "Professionalism and Teamwork" and will "Challenge Ourselves and Grow."

Vision

By empowering our stakeholders to find a way to the next stage toward sustainable growth, we will make every effort to become an indispensable partner for them and to be the world's most trusted financial group.



To empower our customers and partners

We will take full advantage of digital technologies and deliver innovative financial solutions to help our customers lead fulfilling lives and support them through life's challenges.



To empower our communities and society

We will play our part in the development of robust and resilient communities and societies through innovation and the provision of secure platforms.



To empower future generations

We will address issues our society faces to help create a world in which society and the Earth's environment can coexist in harmony.

Committed to empowering a brighter future.

We will work to resolve issues faced by all our stakeholders by formulating and executing strategies based on the challenges they confront.



To empower shareholders and investors

We will live up to shareholder expectations by continuously enhancing our sustainability and corporate value.



To empower MUFG employees

We will create a working environment where diversity is respected and where employees can shine and grow together.

Code of Conduct

The Code of Conduct encapsulates the standards that guide employees' conduct and decision-making in our day-to-day business activities under the MUFG Way. The Code of Conduct is organized into three chapters.

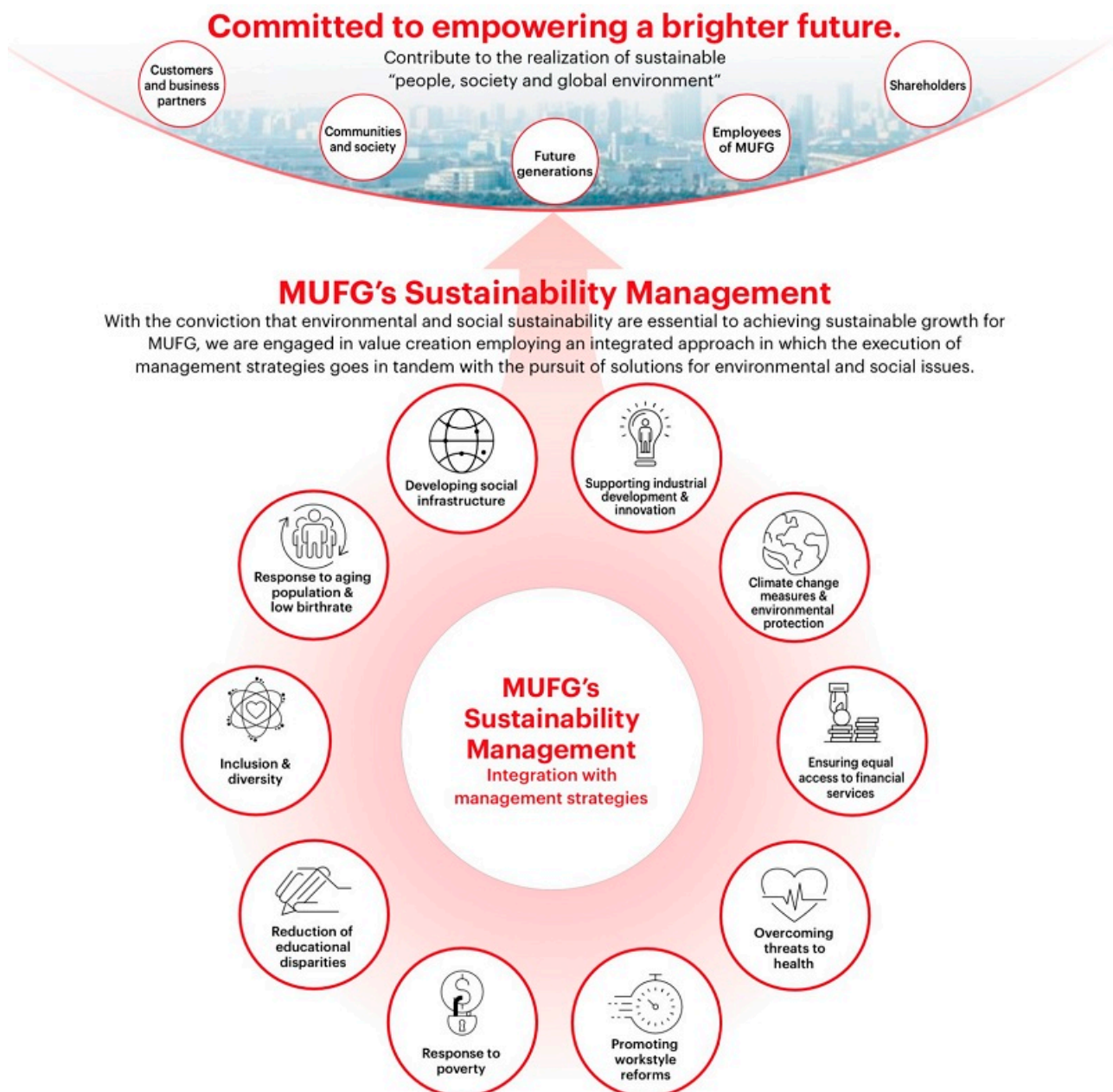
Code of Conduct

- Chapter 1 Customer Focus
- Chapter 2 Responsibility as a Corporate Citizen
- Chapter 3 Attitudes and Behaviors in the Workplace

Positioning in the Medium-term Business Plan (FY2021-FY2023)

MUFG strives to thoroughly address the issues of all stakeholders, including society and clients, and works to solve the issues in order to stay true to the purpose of MUFG to be committed to empowering a brighter future. In the medium-term business plan that started FY2021, we set our target to become The premier business partner that pioneers the future through the power of finance and digital services and placed sustainability management as one of three themes for change along with digitalization and speed and new challenges, which is the state we aim to achieve in three years. We will promote business strategies, risk management, and social contribution activities starting with our ten environmental and social issues that we will work on as our priorities to contribute to solving the environmental and social issues.

Overall of MUFG's Sustainability Management



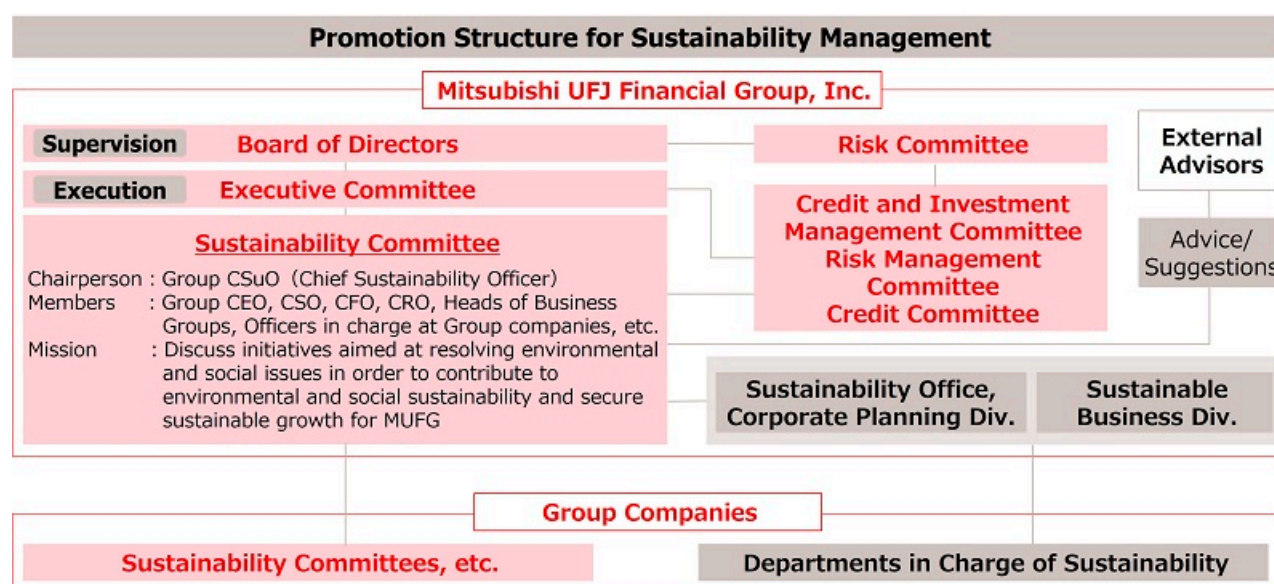
Promotion of Sustainability

Sustainability Promotion Structure

MUFG Under the supervision of the Board of Directors, MUFG has established a system to promote sustainability centered on the Sustainability Committee.

This committee is chaired by the Group Chief Sustainability Officer (CSuO), who is a member of the Board of Directors and is responsible for all sustainability initiatives. The CSuO also serves as the Group Chief Strategy Officer (CSO) in charge of corporate planning and strategy.

In principle, MUFG convenes the Sustainability Committee at least once a year to check and discuss the status of sustainability initiatives and to report the contents to the Executive Committee and the Board of Directors, which supervise the Committee. In addition, two external advisors have been invited to provide expert opinions on sustainability issues and risks at any time. These advisors exchange opinions with the members of the Board of Directors and provide advice and recommendations from their professional standpoints on MUFG's sustainability initiatives.



Roles of Each Position and Department

Group Chief Sustainability Officer (CSuO)

The Group Chief Sustainability Officer is responsible for all initiatives to promote sustainability management. The Group CSO, a member of the Board of Directors, becomes the CSuO.

External advisor

The external advisor regularly exchanges views with the management in order to make use of external knowledge for sustainability management.

Sustainability Office, Corporate Planning Division

The Sustainability Office is responsible for developing the foundation of MUFG's sustainability management as well as planning and promoting strategies for solving environmental and social issues while achieving sustainable growth.

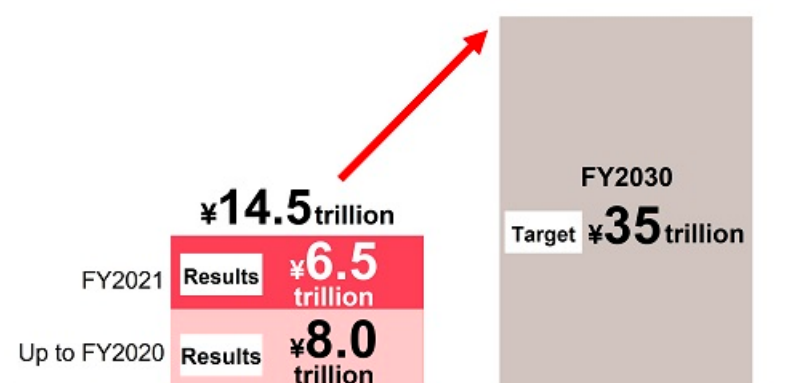
Sustainable Business Division

An organization dedicated to promoting sustainable business. By integrating MUFG's expertise in sustainability both in Japan and overseas, the Division supports the sustainable growth of customers by providing various types of information and solutions from the standpoint of solving environmental and social issues.

Sustainable Finance

Target and Progress

We have set our accumulated sustainable finance amount as of fiscal year 2030 as a sustainable finance target for solving environmental and social issues. Our accumulated sustainable finance amount as of fiscal year 2021 was ¥14.5 trillion (of which, ¥5.4 trillion is environmental area), and was proceeding steadily towards this target.



Progress in Sustainable Finance Goals

[Unit: trillion yen]

Category		FY2019 results	FY2020 results	FY2021 results	Cumulative	FY2030 goals
Environmental	Project finances, etc. for renewable energy and environment-related businesses	0.5	0.6	0.6	5.4	18.0
	Underwriting and sales of Green Bonds.	0.5	0.5	0.5		
	Corporate loan origination for businesses contributing to climate change mitigation and adaptation, etc.	0.2	0.3	0.3		
	Financial advisory for businesses that contribute to climate change mitigation and adaptation	0.8	0.3	0.3		
	Others	0.0	0.0	0.2		
Social	Finance for social infrastructure development and regional vitalization, etc.	1.0	1.3	1.6	3.9	17.0
Others	Finance for solutions of various environmental and social issues.	0.6	1.4	3.2	5.2	
Total		3.5	4.4	6.5	14.5	35.0

Definition of Sustainable Finance

The term "Sustainable Finance" refers to the provision of finance for the following businesses (including loans,

equity investment in funds, arrangement of project finance and syndicated loans, underwriting of equities and bonds, and financial advisory services) with reference to the relevant external standards (e.g. the Green Loan Principles, Green Bond Principles, and Social Bond Principles).

Environmental Area

- Businesses contributing to the adaptation to and moderation of climate change, including renewable energy, energy efficiency improvement, and green buildings (e.g. arrangement of loans and project finance for renewable energy projects, underwriting and distribution of green bonds).

Social Area

- Businesses contributing to the development of startups, job creation, and poverty alleviation
- Businesses contributing to the energizing of local communities and regional revitalization
- Fundamental service businesses, including those involved in basic infrastructure such as public transport, waterworks, and airports, and essential services such as hospitals, schools and police.
(e.g. Emerging Industrial Technology Support Program, loans for regional revitalization projects such as MUFG Regional Revitalization Fund, arrangement of loans and project finance for public infrastructure, underwriting and distribution of social bonds).

Responding to Funds-Supplying Operations to Support Financing for Climate Change Responses (Climate Response Financing Operations) at the Bank of Japan.

MUFG Bank and Mitsubishi UFJ Trust and Banking have been selected as counterparties of Funds-Supplying Operations to Support Financing for Climate Change Responses (Climate Response Financing Operations) at the Bank of Japan. The following include the criteria for eligible investment or loans for Climate Response Financing Operations by MUFG Bank and MUFG Trust and Banking.

MUFG Bank

[Criteria for eligible investment or loans for Climate Response Financing Operations and disclosure of specific procedures for judgement on suitability \(in Japanese\) \(PDF / 90KB\)](#)

MUFG Trust and Banking Corporation

[Criteria for eligible investment or loans for Climate Response Financing Operations and disclosure of specific procedures for judgement on suitability \(in Japanese\) \(PDF / 121KB\)](#)

Issuance of Green, Social and Sustainability Bond

MUFG is the only issuer in Japan with a track record of issuing green, social, and sustainability bonds as the largest private issuer in Japan. The proceeds from bonds issued by MUFG will be used for sustainability-related financing.

[Green, Social, and Sustainability Bonds](#)

Stakeholder Engagement

Stakeholder

In these rapidly changing times, all of our stakeholders are overcoming challenges to find a way to the next stage, toward sustainable growth. We at MUFG will make every effort to help realize these goals. This will be our unchanging purpose now, and into the future.

MUFG will continue to actively engage in constructive dialogs with stakeholders in order to gain new insights and deepen mutual understanding. We strive to build a relationship of trust and cooperation with our stakeholders by responding appropriately to their concerns and issues, and to help MUFG achieve sustainable growth and enhance its corporate value over the medium to long term.

Key Stakeholder Groups	Policies for Improving Corporate Value and Fiscal 2021 Achievements
Customers and partners <ul style="list-style-type: none"> Customers at home and abroad External corporations acting as our business partners 	<p>Extend financial support to help customers resolve challenges they are confronting through business operations that precisely align with changes in the business environment and leverage MUFG's strength</p> <ul style="list-style-type: none"> Customer feedback volume: Approximately 180,000 instances,^(note) including 165 inputs utilized to improve services Engagement with customers for decarbonization: Approximately 550 corporate clients at home and abroad Initiatives of each business group <p>(note) The Bank, the Trust Bank, MUMSS, NICOS and ACOM</p>
Communities and society <ul style="list-style-type: none"> NPO/NGO Local communities Municipalities 	<p>Serve as a component of the financial infrastructure supporting society by offering stable funding and making our solid operations and systems available to customers while contributing to the social transition to digital technologies</p> <ul style="list-style-type: none"> Number of dialogues held with NPOs/NGOs: 35 Response to aging population & low birthrate Supporting business efforts and innovation-oriented endeavors aimed at resolving social issues Cyber security-related initiatives
Future generations <ul style="list-style-type: none"> The environment Younger people 	<p>Discover opportunities from the pressing need to solve environmental and social issues, thereby becoming a pioneering company blazing a path into the coming era</p> <ul style="list-style-type: none"> Moving towards Carbon Neutrality Promoting sustainable businesses Disclosure based on TCFD recommendations Participation in various global initiatives
MUFG Employees <ul style="list-style-type: none"> Number of employees Approximately 170,000 	<p>Promote corporate culture reforms focused on "speed" and "new challenges" by winning employee empathy toward "Corporate Transformation" via dialogue</p> <ul style="list-style-type: none"> Career Challenge System, Nurturing Human Resources Spark X—new business incubation program MUFG Way Integration Sessions <p>Held on more than 3,000 occasions at home and abroad and attended by more than 50,000 employees</p> <ul style="list-style-type: none"> Held town hall meetings attended by top management members on more than 1,000 occasions
Shareholders and investors <ul style="list-style-type: none"> Number of shareholders Approximately 810,000 	<p>Maintain highly transparent information disclosure and engagement in constructive shareholder dialogue while reflecting shareholder feedback in business management and strategies</p> <ul style="list-style-type: none"> Number of attendees at the General Meeting of Shareholders 412 (a total of 1,121 shareholders watched the meeting online) Number of presentation meetings held for institutional investors and analysts 10 Dialogue between outside directors and institutional investors Number of individual meetings with institutional investors 317 (173 meetings with overseas investors) Number of online seminars held for individual investors 3 (a cumulative total of 2,100 viewers)

Distributing Information and Having Dialogues with Stakeholders

Hosted an Engagement Seminar for Realization of a Carbon-Neutral Society

Please see [Disclosure Based on TCFD Recommendations "Strategy"](#) for details.

MUFG Wealth Management Presents Wealth Management Forum - Rethinking Asset Management, Asset Succession, and Business Succession in an Era Focusing on Sustainability

To increase general public's awareness of the MUFG Wealth Management brand and promote sales activities, a large-scale Web seminar for our banking, trust, and securities customers was held with The Yomiuri Shimbun's sponsorship.

President Kamezawa had a keynote talk session with Mr. Norichika Kanie, a leading authority on the SDGs in Japan, who joined the session remotely from Washington, D.C. and exchanged opinions on a wide range of topics, including MUFG's sustainability management in relation to the SDGs and individual companies' sustainability management examples, related business opportunities, and ESG investment."



We held town hall meetings for employees. In fiscal 2021, these meetings were also held at overseas bases.

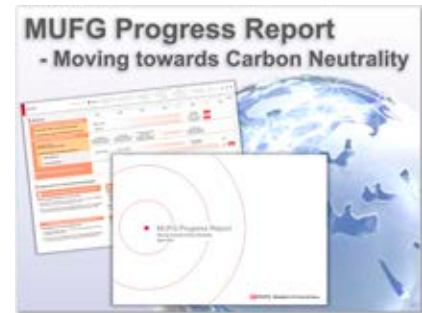
In fiscal 2021, we held more than 1,000 town hall meetings between executive officers and employees. In April 2022, Group CEO Kamezawa flew to the United States for the first time in three years to host a town hall meeting. While approximately 200 Group employees operating in the Americas physically attended the meeting, around 180 individuals took part in the event online.

Addressing the attendees, Mr. Kamezawa shared his joy of visiting his colleagues in the United States, where he previously resided as an expatriate and worked as part of a local team. He also expressed his gratitude to all those who worked so hard on the sale of MUFG Union Bank as well as all those who contributed to the local communities. Furthermore, the Group CEO stressed that MUFG's commitment to its Americas business will remain unchanged even after the above sale, and that the Group will continuously push ahead with transformation into a speedy and flexible organization. Comments voiced by attendees included "The meeting was held in a relaxed atmosphere, and I felt that I was a member of the same team" and "Mr. Kamezawa's emphasis on the Americas as a key growth region outside of Japan was very encouraging."

We enhanced the content of information disclosure associated with our initiatives to realize carbon neutrality and held special briefings for investors.

Since fiscal 2021, MUFG has stepped up its commitment to addressing environmental and social issues. In May 2021, we announced the MUFG Carbon Neutrality Declaration and, in the following month, hosted seminars with themes that focused on the specific milestones set for initiatives being undertaken to realize this declaration and promote sustainable businesses.

We have since pushed ahead with these initiatives, taking a groupwide approach and rallying Group members across the globe. In April 2022, we issued the MUFG Progress Report, which summarizes our progress over the course of the past year. At the same time, we held an investor seminar, with Group CSuO Miyashita and General Manager Nishiyama (Sustainable Business Division) addressing questions from attendees. Comments from investors who joined the event included “I found the content of the Progress Report to be wellorganized in terms of explaining how MUFG set its interim targets and showcasing examples of engagement. Moreover, attending the seminar helped me better understand these matters.” and “I have high expectations for Mr. Nishiyama, who joined MUFG as a mid-career hire, as he will contribute his robust expertise to help MUFG realize synergies arising from the combination of new insights and its traditional strengths.”



Policies and Guidelines

▼ Environment

▼ Social

▼ Governance

Environment

MUFG Environmental Policy Statement



MUFG Environmental and Social Policy Framework



MUFG AM Responsible Investment Policy



Social

MUFG Human Rights Policy Statement



MUFG Environmental and Social Policy Framework



MUFG AM Responsible Investment Policy



MUFG Human Resources Principles



Approach to Purchasing Activity



Modern Slavery Act 2015 and Commonwealth Modern Slavery Act 2018



Activities against Cluster Bombs



Personal Information Protection Policy



Cyber Security Management Declaration



MUFG's Thinking on Inclusion & Diversity



Governance

MUFG Group Code of Conduct



Policy for Conflicts of Interest Management



Basic Policy regarding Anti-Social Elements



Efforts to Prevent Bribery



MUFG Basic Policy for Fiduciary Duties



MUFG Corporate Governance Policies



Risk Management: Basic Policy



Compliance: Basic Policy



Global Financial Crimes Policy Statement



MUFG Group Disclosure Policy



MUFG Tax Policy



Process of Identifying and Resolving Priority Issues

Process for Identifying 10 Priority Issues

We have defined 10 priority issues that must be tackled to help achieve environmental and social sustainability in light of our newly established Purpose, "Committed to empowering a brighter future." with an eye to better fulfilling society's expectations in areas where MUFG's capabilities can be brought to bear.

STEP1. Assessing a broad range of environmental and social issues (218 issues)

Identified 218 issues by assessing environmental and social issues at home and abroad with reference to the United Nations Sustainable Development Goals (SDGs), stakeholder feedback regarding ESG issues and the requirements set out in the various guidelines listed below

GRI Standards, United Nations Global Compact, SASB Standards, ISO26000, UN Department of Economic and Social Affairs (After COVID-19), Issues selected by the Cabinet Office, etc.

STEP2. Screening, integrating and narrowing-down (123 issues)

Integrated the 218 issues into the 123 issues based on duplications or similarities, with the Sustainability Office undertaking the primary screening

STEP3. Extracting (12 issues)

Identified 12 major issues based on employee feedback gleaned via questionnaires and interviews

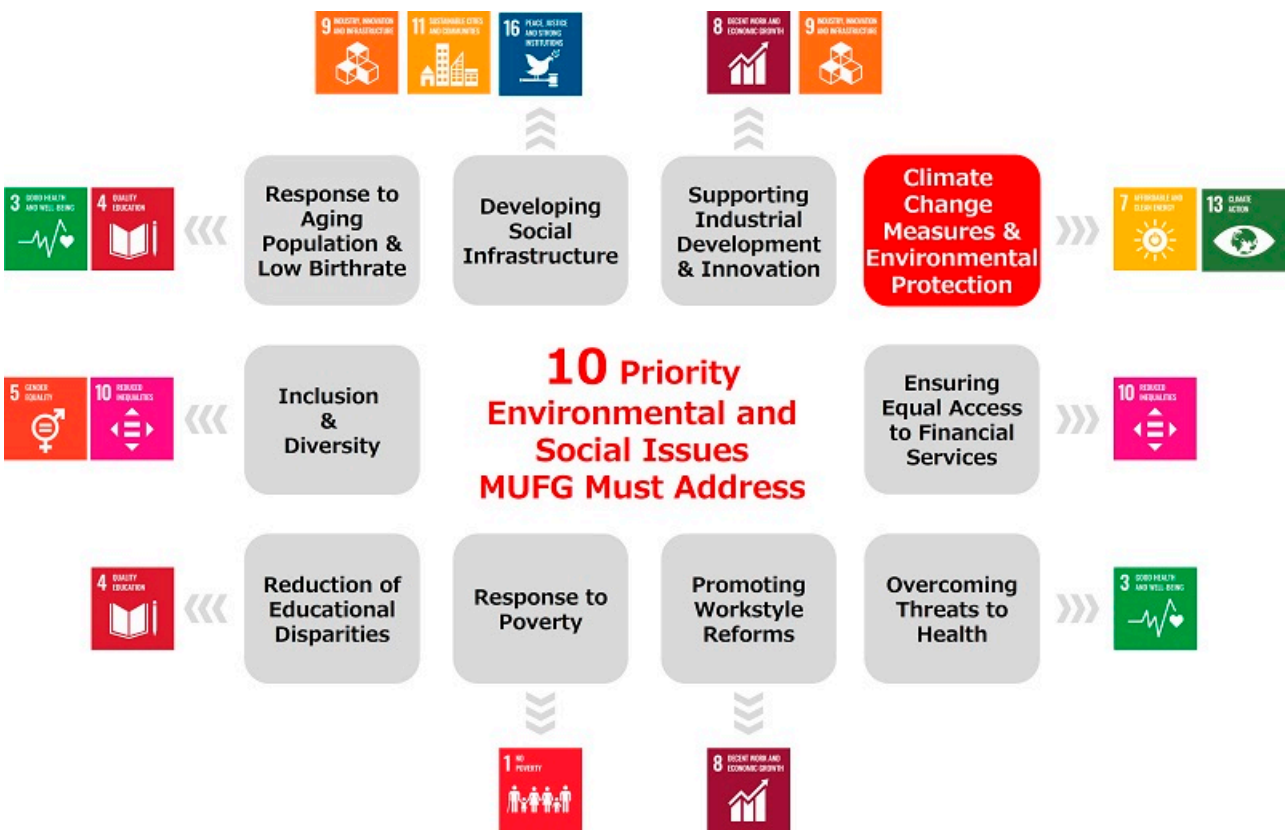
Items included in questionnaires or asked at interviews

- Issues respondents are currently addressing or willing to address through their business duties
- Issues respondents think that are addressed by companies considered to be good corporate citizen

STEP4. Deliberation and determination (10 issues)

Determined the 10 priority issues after multiple rounds of management discussion that took into account the opinions of external advisors, input from outside directors and the global trend toward sustainability, with

aneye to better fulfilling society's expectations in areas where MUFG's capabilities can be brought to bear



Flow of MUFG's Process of Reviewing the 10 Priority Issue Initiatives



Climate Change Measures & Environmental Protection

MUFG recognizes that addressing climate change and environmental conservation is one of the most important management issues. We will respond to them by regarding them as business opportunities and risk management.

During this period, the movement to combat climate change gained tremendous global momentum. MUFG has taken another step forward by announcing the MUFG Carbon Neutrality Declaration in May 2021. Guided by this declaration, MUFG is implementing group-wide environmental measures globally, aiming to achieve net zero greenhouse gas (GHG) emissions from the financed portfolio by 2050 and net zero GHG emissions from our own operations by 2030.

MUFG's recognition	Opportunities and risks	The ongoing trend toward decarbonization is expected to result in major changes in global industrial structure which, in turn, will position MUFG and its customers to face both risks affecting their business continuity and opportunities for growth. It is important to ensure smooth transition to a carbon-neutral society and a virtuous cycle of environmental and economic improvement in order to realize a sustainable society.
	Opportunities and risks	The scope of across-the-board environmental protection initiatives is likely to expand to include not only climate change measures but also the protection of biodiversity, etc.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> Promoting various initiatives to realize the MUFG Carbon Neutrality Declaration announced in May 2021 Announced our support for the Task Force for Nature-related Financial Disclosures (TNFD) and participated in a TNFD forum to promote information gathering and play our part in discussions regarding framework building as part of MUFG's tangible responses to issues associated with natural capital 	

Main Initiatives

Moving towards Carbon Neutrality

In May 2021, the MUFG Carbon Neutrality Declaration was announced. In line with this declaration, we are aiming for net zero GHG emissions from our financed portfolio by 2050 and net zero GHG emissions from our own operations by 2030.

Moreover, in April 2022, we released the MUFG Progress Report to update our stakeholders on our efforts to achieve the above targets.

[MUFG Carbon Neutrality Declaration](#)
[MUFG Progress Report](#)

Main Initiatives Since the Carbon Neutrality Declaration

Net Zero Emissions from the Financed Portfolio	Decarbonization through Financial Services	Net Zero GHG Emissions from Own Operations
Set interim targets for the power and oil & gas sectors <ul style="list-style-type: none"> Determined the power and oil & gas sectors as priority sectors. Measured actual results (2019) and set interim targets for 2030 Plans call for setting interim targets for financing in other sectors 	Providing solutions to support decarbonization, based on customers' needs Set corporate finance targets for coal-fired power generation <ul style="list-style-type: none"> Set corporate finance target to reduce the credit balance to zero by fiscal 2040 	Shifted to 100% renewable energy for electricity procured domestically by the Bank, the Trust Bank, the Securities, NICOS, and ACOM by June 2022
Decarbonization through Responsible Investment	Participation in Initiatives	Other Efforts
Joined the Net Zero Asset Managers initiative (NZAM) <ul style="list-style-type: none"> Promoting engagement with investees Set interim targets for 2030 by October 2022 	Leading the discussion on the development of a global framework <ul style="list-style-type: none"> Appointed as Chair of the Financing & Engagement Subcommittee of the Net-Zero Banking Alliance (NZBA), which is responsible for developing a framework for transition finance 	Krungsri (Bank of Ayudhya), a partner bank in Thailand, announced their Carbon Neutral Vision Revision of the MUFG Environmental and Social Policy Framework

Roadmap for Achieving Carbon Neutrality - Transition Plan for a Decarbonized Society

To achieve carbon neutrality, we are working to achieve net zero GHG emissions in our financed portfolio, decarbonization through finance, and net zero emission from MUFG. We are working to achieve the targets set for 2030, 2040, and 2050.

Roadmap

	2019	2020	2021	2022	...	2030	...	2040	...	2050
Net zero GHG emissions from the financed portfolio										Net zero
Power sector (emission intensity)*1	349 gCO ₂ e/kWh					156-192 gCO ₂ e/kWh NEW				
Oil & gas sector (absolute GHG emission)*2	83 MtCO ₂ e					Reduction rate 15-28% NEW				
Decarbonization through financial services										
Sustainable finance (for the environment)*3	¥3.5tn*4 (¥2.0tn)	¥8.0tn*4 (¥3.7tn)	¥14.5tn (¥5.4tn)			¥35tn (¥18tn)				
Credit balance targets for coal-fired power generation										
Project finance (FY)	US\$3.58bn	US\$3.77bn	US\$2.95bn			50% reduction from fiscal 2019		Zero		
Corporate finance (FY)		Approx. ¥120bn						Zero NEW		
Net zero GHG emissions*3 from own operations										

*1 Scope 1 emissions from power generation businesses

*2 Scope 1, 2 and 3 emissions from upstream production businesses

*3 Cumulative total balance of financing extended since fiscal 2019

*4 Figures have been restated due to changes in calculation methods

NEW Announced in April 2022 **Boldface:** Targets

Global Structure to Promote Sustainable Business on a Global Basis

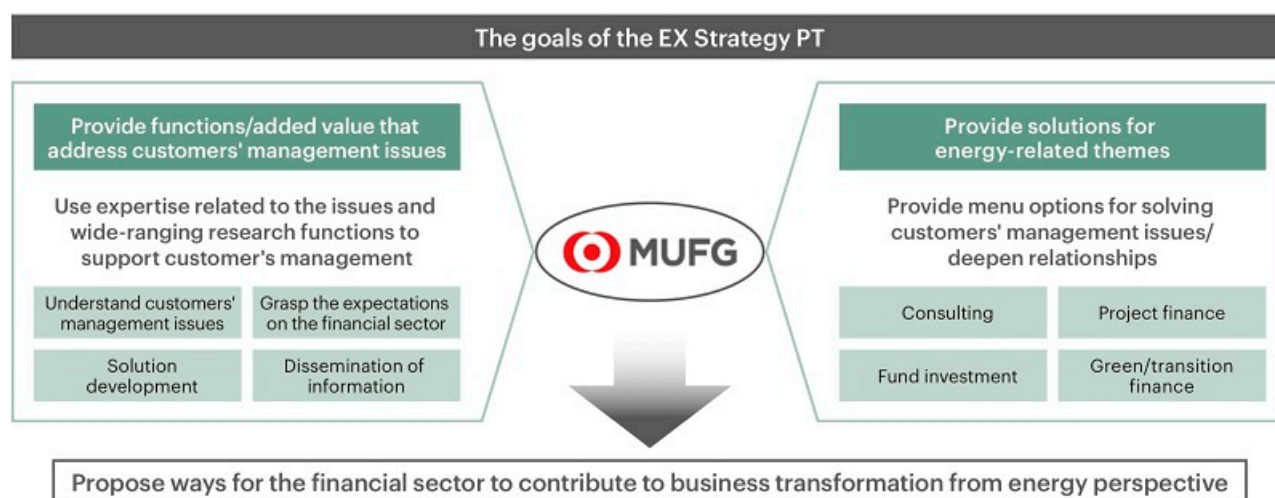
MUFG provides solutions to assist our customers innovate and to make structural changes to their business model in order to solve environmental and social issues.

In July 2021, we established the Sustainable Business Division to further promote businesses that will help solve environmental and social issues as a Group. We established a global structure to gather intelligence and capture business opportunities through assigning ESG heads in each region – EMEA, Americas and APAC – who are responsible for promoting the provision of sustainable financing solution and customer engagement, and having active discussions through global forums such as the Global ESG Conference. In addition, by collecting information from various perspectives through international initiatives, we are promoting rulemaking, commercialization, and market creation globally to capture future business opportunities.

The Energy Transformation Strategy Project Team

In December 2021, the Japanese Corporate & Investment Banking Business Group launched the Energy Transformation Strategy Project Team (EX Strategy PT).

In order to support the customers' energy transformation, the team is exploring how the financial sector as a whole can contribute to customers, while engaging in dialogs with customers, industry associations, and government agencies. As an initiative, MUFG holds monthly meetings with about 300 employees from sales divisions under the theme of energy transformation and promotes each effort while improving our response to issues throughout the MUFG Group.

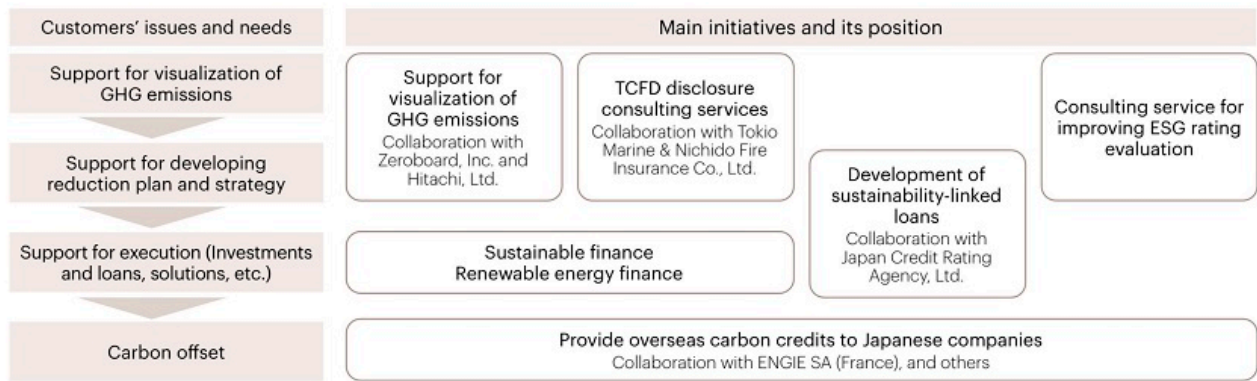


Solutions Designed to Assist Customers in Their Decarbonization Efforts

Through engagement with our customers in each region, we try to understand their challenges and needs. In fiscal 2021, we engaged in dialogue with approximately 550 domestic and foreign clients, regarding the status of their sustainability and decarbonization initiatives and the solutions provided by MUFG.

Responding to their needs for solutions, we have started providing diverse solutions designed to assist them in their decarbonization efforts. These solutions include GHG emission measurement and financial support.

New Solutions for Decarbonization



Promotion and Popularization of Renewable Energy Use

Establishment of Z Energy Co., Ltd. for Renewable Energy Fund Creation

In September 2021, with eight partner companies, the Bank established Z Energy Co., Ltd.^(note1) as a fund management company with the aim of building an independent renewable energy market, based on a concept that covers all facets of renewable energy from creation to consumption. In March 2022, we established the first Carbon Neutral Fund operated by Z Energy Corporation, and have started investing in renewable energy power generation projects^(note2).



MUFG has established an impact assessment system with Z Energy as a practice of impact investment, and has been selected as a model project under the Ministry of the Environment's "2021 Green Finance Model Case Creation Project."

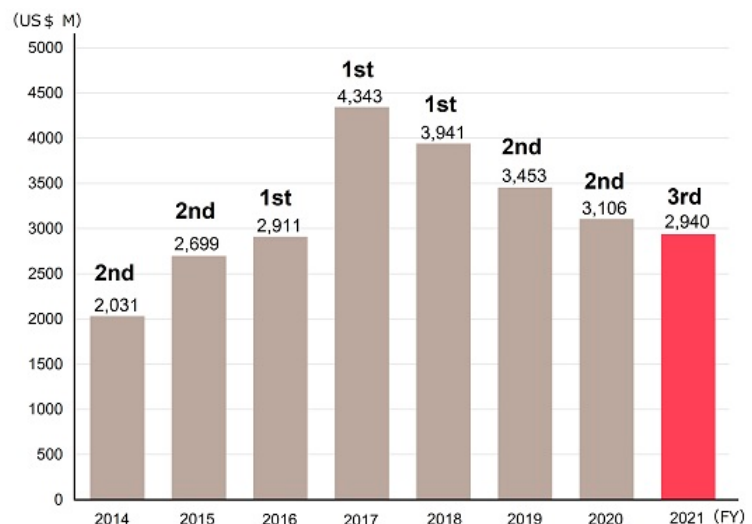
(note1) [Press release \(September 1, 2021\): MUFG Establishes a Company with the Aim of Creating a Renewable Energy Fund](#)

(note2) [Press release \(December 1, 2021\): Investment in Carbon Neutral Fund 1 Investment Limited Partnership \(in Japanese\)](#)

Renewable Energy Project Finance

MUFG is one of the world's top performers in the global project finance sector, as shown in the Lead Arrangers League Table related to renewable energy projects. In May 2021, MUFG set a target of reducing CO₂ emissions through project finance for renewable energy projects by a cumulative total of 70 million tons from FY 2019 to FY 2030. This is equivalent to the annual CO₂ emissions of about half of the households in Japan.

Reduction of CO₂ emissions from FY 2019 to FY 2021 was 26.83 million tCO₂.



Source: Bloomberg New Energy Finance ASSET FINANCE /Lead Arrangers LEAGUE TABLE

Net Zero GHG from Own Operations

By November 2021, the Bank, the Trust Bank, and the Securities completed switching to 100% renewable energy for their own domestic electricity contracts. Since the release of the MUFG Carbon Neutrality Declaration in May 2021, we have reduced domestic emissions by approximately 60% (approximately 30% of global emissions). In addition, we have also completed switching to renewable electricity at some sites in Europe and Asia. In June 2022, NICOS and ACOM also completed switching to 100% renewable electricity. As a result, we were able to achieve 100% renewable electricity among all MUFG consolidated subsidiaries in Japan for their own-contracted electricity, ahead of our initial schedule.

Contributing to Global Initiatives

MUFG has participated in initiatives to recognize our position from a global perspective and to reflect a highly-standardized and transparent methodologies when setting GHG emission targets for our financed portfolio. As a leading financial institution in Asia, we are committed to communicating our views.

GFANZ (Glasgow Financial Alliance for Net-Zero)

Through the GFANZ working groups, MUFG has been discussing net zero initiatives across financial sector as well as recommendations from the financial industry to other industries. GFANZ plans to use these discussions to make policy recommendations to the G20 and COP27.

Net-Zero Banking Alliance (NZBA)

In June 2021, we became the first Japanese bank to join the NZBA and have been contributing as an Asian representative in the Steering Group. In December 2021, we were appointed Chair of the Financing & Engagement working group. MUFG leads the development of a global framework for transition finance.

Net Zero Asset Managers initiative (NZAM)

An asset management company initiative to achieve net zero GHG emissions by 2050, in line with international efforts to limit the global temperature increase to 1.5°C. MUFG will set an interim target for 2030 by October 2022 for the proportion of assets under management consistent with achieving net zero GHG emissions by 2050.

Asia Transition Finance Study Group (ATFSG)

ATFSG was launched under the Asia Energy Transition Initiative (AETI) with a focus on major financial institutions active in ASEAN countries. Leading by MUFG, this study group is discussing the common principles and standards, etc. necessary to have a realistic and gradual energy transition in Asia.

Risk Management

Inclusion of Climate Change-Related Risks in the Risk Appetite Statement

In FY 2021, we included climate change-related risks in our Risk Appetite Statement. This move is intended to help develop, maintain and upgrade our structure for appropriately managing climate change-related risks.

Positioning of Climate Change-Related Risk in Enterprise Risk Management

MUFG has positioned climate change-related risk as one of the Top Risks that it must pay close attention to for the year ahead and going forward.

Management of Environmental and Social Risks in the Course of Financing

In line with the MUFG Environmental Policy Statement and the MUFG Human Rights Policy Statement, we have established the MUFG Environmental and Social Policy Framework, with the aim of properly assessing and managing environmental and social risks that may arise in the course of financing. In addition, we are engaged in due diligence based on the Equator Principles in its efforts to contribute to environmental and social sustainability.

Strengthened Policies on the Sectors Related to the Environment, Including Climate Change

Since its establishment in May 2018, the MUFG Environmental and Social Policy Framework has been periodically reviewed in response to changes in business activities and the business environment.

The most recent revision, made in April 2022, strengthened and revised policies for the climate-related sectors (palm oil, mining (coal), and oil and gas sectors).

Environment-related policies in the MUFG Environmental and Social Policy Framework

Sectors	2018	2019	2020	2021	2022	Details of revisions
Coal-fired power generation	Established	Revised		Revised		Strictly limited eligible clients to those certified under the Roundtable on Sustainable Palm Oil (RSPO) program
Forestry		Established		Revised		
Palm oil		Established		Revised	Revised	Prohibited financing for new projects associated with the mining of thermal coal for use in power generation businesses
Mining (coal)		Established			Revised	
Oil and gas			Established		Revised	Clarified process for identifying and assessing risks and impacts arising from shale oil, gas and pipeline projects in terms of environmental and social sustainability
Large-scale hydroelectric power generation			Established			

Natural Capital and Biodiversity

MUFG Environmental Policy Statement, MUFG Environmental and Social Policy Framework

In MUFG Environmental Policy Statement and the MUFG Environmental and Social Policy Framework, MUFG has established the following policies:

MUFG Environmental Policy Statement

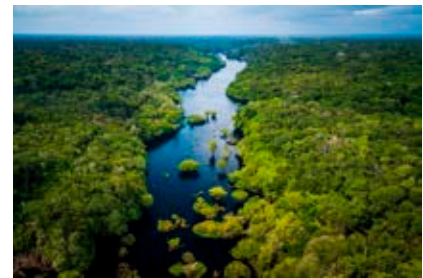
(extract) [Maintenance and protection of the biodiversity which supports our society is the foundation for the realization of a sustainable society. MUFG supports businesses that protect biodiversity through the provision of products and services. Each group company also takes appropriate measures to prevent negative impacts on biodiversity associated with our products and services.]

MUFG Environmental and Social Policy Framework

In light of the nature and severity of environmental and social risks or impacts, businesses that have a negative impact on Ramsar-designated wetlands, businesses that have a negative impact on UNESCO World Heritage sites, and businesses that violate the Convention on International Trade in Endangered Species of Wild fauna and Flora (Washington Convention) are defined as "Prohibited Transactions". In addition, as "Transactions of High Caution", we have identified businesses that have a negative impact on areas with high conservation value and sectors such as mining (coal), oil and gas, large-scale hydroelectric power generation, forestry, and palm oil. When considering financing, we check the implementation status of environmental and social considerations by our customers, including their impact on the ecosystem and how they are responding.

Endorsement of Taskforce on Nature-related Financial Disclosures (TNFD) Forum

The TNFD is an international initiative launched in June 2021 by the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), the World Wide Fund for Nature (WWF) and Global Canopy. TNFD aims to shift global financial flows toward nature-positive outcomes through disclosure of nature-related information by companies. The TNFD Forum is a stakeholder organization to provides information and technical support related to TNFD.



In February 2022, MUFG joined the TNFD Forum to promote initiatives for natural capital and biodiversity across the Group. We also participated in a meeting of the TNFD Consultation Group of Japan established in June 2022. In addition, referring to the LEAP approach^(note) presented in the framework beta version, we have started to analyze natural capital risks together with Mitsubishi UFJ Research and Consulting, a member of the forum. As a member of the forum, we will continue to actively participate in discussions to further contribute to the realization of a sustainable environment and society.

(note) LEAP approach: An approach proposed as a practical risk assessment method for natural capital and consists of four steps: Locate the contact point between the company and nature, Evaluate the impact and dependence on nature, Assess the risks and opportunities related to nature, and Prepare business strategies and disclosures according to those risks and opportunities.

Please see [Environment](#) for details.

Response to Aging Population & Low Birthrate

MUFG strives to enhance its financial products and services backed by comprehensive capabilities afforded by the Group to meet evolving and diversifying customer needs in the face of changes in social structure due to the aging population and low birthrate. We also engage in research and social contribution activities for the same purpose.

Moreover, we are developing channels specifically designed to make access to our services easier for elderly customers. At the same time, we constantly work to enhance customer convenience by upgrading our apps and other digital-driven tools supporting non-face-to-face channels to improve their operability and design.

MUFG's recognition	Opportunities	Leveraging our comprehensive financial service capabilities is important in order to meet evolving and diversifying customer needs in the face of changes in social structure due to aging population and low birthrate.
	Risks	The aging population and low birthrate may lead to economic stagnation and a decline in growth potential, leading to the shrinkage of both funding demand and interest margins, a situation that could, in turn, have a particularly negative impact on the traditional commercial banking businesses.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> Enhancing the content of our financial services, develop more accessible channels and otherwise endeavor to address various issues arising from aging population and low birthrate Engaging in research into financial gerontology to raise our ability to help customers enjoy a healthy life and longevity by, for example, drawing on research findings to develop products designed to support their future security with an eye to the possible deterioration of cognitive functions 	

Main Initiatives

Main Initiatives in Each Issue Category

Issue	Aging Population			Low Birthrate
	① Succession of businesses and assets	② Response to the elderly	③ Asset building	④ Support for next generation
Financial Services	<ul style="list-style-type: none">● Support succession of businesses and assets	<ul style="list-style-type: none">● Respond to deterioration of cognitive functions● Support testament and bestowal etc. via trust banking functions	<ul style="list-style-type: none">● Consulting on asset management and asset building● Pension investment and consulting services for corporates	<ul style="list-style-type: none">● Contribute by utilizing financial knowledge
Infrastructure	<ul style="list-style-type: none">● Services in response to aging population and deterioration of cognitive functions (23,000 registered supporters in the Bank)		<ul style="list-style-type: none">● Branch facilities designed in the spirit of universal design● Improvement of UI/UX*	
Research / Social Contribution	<ul style="list-style-type: none">● MUFG Inheritance Research Institute● Japan Financial Gerontology Institute		<ul style="list-style-type: none">● MUFG Financial Education Institute	<ul style="list-style-type: none">● Financial and economic education for students from elementary to high school● Donation for children and students
Support for Employees	<ul style="list-style-type: none">● Create a workplace that enables both men and women to strike an optimal balance between work and childcare, nursing care or infertility treatment (ensure that our assistance programs are known by all, promote the utilization of such programs and foster an inclusive corporate culture)			

* UI (User interface) and UX (User experience). Experiences and values capable of earning through usability of the services

Succession of Businesses and Assets

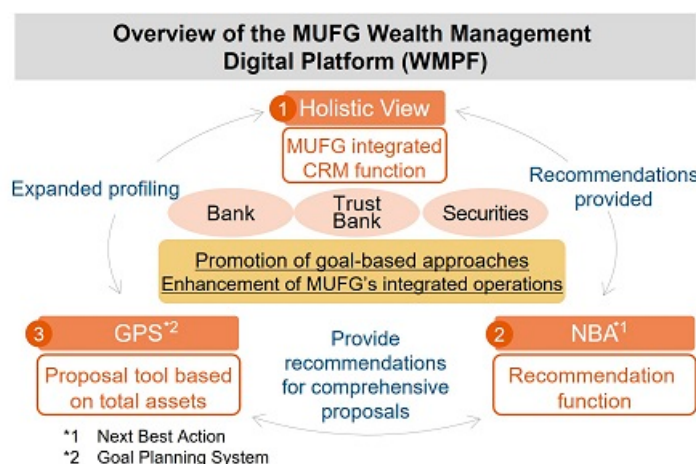
Employing functions afforded by the Group as well as networks offered by our alliance partners, we deliver proposals regarding M&A, inheritance, real estate and asset management by taking a groupwide, integrated approach. Through these endeavors, we support the succession of assets and businesses worth more than ¥1 trillion on an annual basis. Furthermore, we began offering foreign currency-denominated insurance with a lump-sum premium for people seeking protection after bereavement. ^(note) This insurance is equipped with a joint policy and thus provides an effective solution for secondary inheritance, which often becomes an issue in the course of asset succession. In these and other ways, we strive to enhance our lineup of products and services designed to support the smooth succession of businesses and assets.

(note) A type of insurance enabling two individuals to be insured with a single policy

Development of the MUFG Wealth Management Digital Platform (WMPF)

MUFG Wealth Management aims to be a trusted brand that can serve as a good partner to support customers' lives for generations to come and to provide Group-wide comprehensive solutions, from banking and trust to securities, to our customers so that they can achieve true wealth at various stages of their lives.

Utilizing the WMPF, a digital tool released in February 2022 which is used throughout the entire Group, we will come to understand customers' life goals and propose optimal solutions based on their total assets using the Group's comprehensive strengths to meet the diverse needs of individuals, their families, and businesses, such as asset succession, business succession, and asset management.



MUFG Inheritance Research Institute

The Trust Bank has established the MUFG Inheritance Research Institute in order to conduct research studies on asset management for an aging society and on smooth transfer of assets to the next generation.

In fiscal 2021, we held our first inheritance symposium based on an awareness survey on inheritance with the theme of asset succession in the era of the 100-year life society. We also exchanged opinions on future initiatives including IT utilization in industry, government, and academia, focusing on the issues that an aging society faces, such as deterioration in cognitive and judgmental functions. Going forward, we will continue to provide practical information from a neutral standpoint with the aim of resolving social issues, such as smooth asset management and asset succession, through symposiums and the publication of various reports and columns.

Started Tsunageru Toshin Service (Gift During Life/Asset Succession)

In July 2022, the Trust Bank started new *Tsunageru Toshin* service (gift during life/asset succession) designed for individual customers.

It is a new service that contributes to the realization of long-term asset management through two approaches: Gift during life, which allows the younger generation without sufficient funds to invest due to education and housing expenses, to start investing in investment trusts early on by using gifted funds; and asset succession, which allows the next generation to continue managing investment trusts without having to convert inherited investment trusts into cash at time of inheritance.



Response to the Elderly

Today, the value of financial assets held by elderly citizens has grown bigger than ever before, while an increasing number of people suffer from dementia. Aware of these circumstances, we offer not only trust products that serve as solutions for testament formulation and the advancement of assets but also robust services to help mitigate our customers' looming sense of anxiety at the prospect of a possible aging-related cognitive deterioration. For example, in 2019 we released Tsukaete Anshin, a trust product with proxy withdrawal functions. The number of applicants for this product is now in excess of 8,000. ^(note) Moreover, we endeavor to ensure that elderly customers can always enjoy access to safe and secure services. To this end, we promote training aimed at securing employee capabilities to accommodate customers with dementia. Today, more than 23,000 employees have been certified as dementia supporters.

(note) Including applications for Tsukaete Wrap Special Contract. This additional wrap contract enables the customer's proxy to withdraw funds from wrap accounts via surrender and deposit these funds into Tsukaete Anshin accounts

Financial Gerontology

The Trust Bank is conducting research on financial gerontology, the study of how changes in cognitive function due to aging affect economic activity and financial behavior, and is researching services that enable the elderly to use their assets in the way they desire. Through this research, we will develop products that prepare for cognitive decline and contribute to the health and longevity of our customers.

In addition, we are working to commercialize new products and services designed to deliver solutions to issues arising from an aging society so that we can deliver even better services to our customers in the future. These efforts include the development of technologies to assess cognitive functions and a system to verify testament content comprehension. To that end, we launch a verification testing project by fiscal 2022 as part of an industry-academia research collaboration.

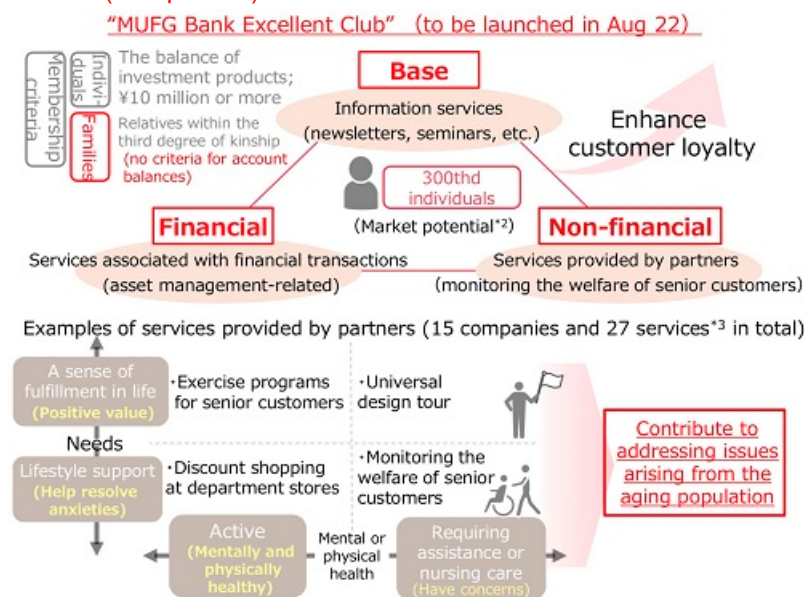
Excellent Club

As people's lifespan increases, customers' specific situations and needs related to their life plans are becoming more diverse, and financial institutions are expected to respond not only with financial services but also with comprehensive responses, including alliances with non-financial service providers.

With this backdrop, in August 2022, the Bank launched the MUFG Bank Excellence Club, a free membership service based on the concept of "making 100 years of life 100 years of happiness." In addition to providing information such as bulletins and seminars, as well as providing MUFG financial services, we also offer non-financial services that enrich our customers' daily lives and support healthy lifestyles.

Please click the link below for service details and membership conditions:

[MUFG Bank Excellence Club \(in Japanese\)](#)



The Trust Bank has already developed a similar membership service, "Excellent Club," which is used by its 370,000 members and many others.

The Trust Bank : [Excellent Club \(in Japanese\)](#)


MUFG has positioned each Excellent Club as a platform for providing solutions for the elderly and will contribute to solving the issues faced by the aging society.

Asset Building

MUFG offers consulting on asset management for customers from diverse age groups while offering an extensive lineup of pension asset management and consulting functions for corporate clients.

In June 2021, we released "D-Canvas," a smartphone app enabling persons enrolled in the defined contribution pension plans of our corporate clients to confirm the balance of plan assets and change products under our administration. In December 2021, we also released "Money Canvas," a one-stop platform through which users can enjoy access to a diverse range of financial products supporting asset building. Going forward, we will enhance UI/UX offered through our services and otherwise upgrade our service infrastructure. By doing so, we will empower all our customers, irrespective of their age, to gain smooth access to our asset building solutions.

Money Canvas

[Money Canvas \(in Japanese\)](#) 

MUFG Financial Education Institute

The Trust Bank established the MUFG Financial Education Institute for the purpose of providing practical and effective information on asset building and asset management from a neutral standpoint.

In fiscal 2021, we conducted surveys on the topics of “Awareness of Sustainability and Consumption/Investment Behavior” and “Changes in Behavior and Investment Conditions during the COVID-19 Pandemic”. In order to make the survey results widely available to customers, we disseminated information through various means, including the publication of research reports on our website and by holding a symposium.

The symposium, which was held in February 2022, introduced the results of the survey and provided an opportunity to think together with experts about what is expected to the financial institutions from the perspective of asset formation and investment dissemination as society moves toward sustainability (SDGs, ESG, etc.). In addition, the panel discussed other topics, such as sustainable investment that resonates with individual customers and the nature of a trusted financial institution. In the questionnaire provided on the day of the seminar, about 80% of the respondents answered that the seminar was “Very helpful/Helpful.”

Support for Next Generation

Taking full advantage of its financial expertise, MUFG provides financial and economic education to young people. At the same time, we are actively supporting the sound upbringing of children and assisting students in their pursuit of higher education through donations and other means. For example, MUMSS has been upholding a policy of contributing to society through the provision of financial and economic education, to this end offering on-demand classes at junior and senior high schools. Recently, MUMSS developed a new educational program for use in elementary schools and has started providing the program to enhance the capacity of children, who will be leaders of the future generations.



[Financial and Economic Education](#)

Support for Employees

MUFG is working to create a workplace where both male and female employees can balance work with their childcare, nursing care, and fertility treatment.

[Inclusion & Diversity](#)

Inclusion & Diversity

Diversity is an important value that gives us the resilience we need to cope with times of change. At MUFG, we are working to create a workplace where diverse employees can work with vitality and fulfillment. We are also contributing to the promotion of Inclusion & Diversity in the world through our financial functions.

MUFG's recognition	<div> <div>Opportunities</div> Empowering diverse talents to inspire one another will facilitate the creation of new concepts and ideas and the transformation of employee modes of behavior, enabling MUFG to transform its corporate culture and deliver new value that surpasses the expectations of customers and society as a whole, while it will also contribute to inclusion of diverse individuals. </div> <div> <div>Risks</div> Developing a resilient organization and society capable of empowering diverse talents with differing sense of values is essential to flexibly adapting to a time of rapid changes. </div>
Examples of initiatives to address the issue	<ul style="list-style-type: none"> ● Provide employees with education aimed at raising their awareness of unconscious biases, support women's career development, offer ongoing assistance to employees who strive to strike a balance between work and child rearing or nursing care; at the same time, pushing ahead with hiring, nurturing and promoting diverse talents and fostering a culture of inclusion & diversity. As the result of these initiatives, MUFG was chosen for inclusion in the Bloomberg Gender-Equality Index while being selected to bear Nadeshiko Brand and Semi-Nadeshiko Brand under the program sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. MUFG was also awarded the Gold rating and chosen as a Best Practice selection under the PRIDE Index program aimed at evaluating companies' inclusivity efforts toward LGBTQ community ● Achieved our target for the ratio of women in management in Japan (for March 2024) ahead of schedule and thus upwardly revised the target from 18% to 20% in fiscal 2022

Main Initiatives

Inclusion & Diversity Initiatives

MUFG focuses on Inclusion and Diversity as one of the 10 Priority Issues in sustainability management.

In 2006, MUFG established a dedicated department to promote diversity as a corporate management strategy under the commitment of the top management. In particular, we consider the promotion of diversity from the viewpoint of gender to be an important issue, and we are working to develop the ability of women and promote their appointment in higher positions.

Our three main subsidiaries, the Bank, the Trust Bank and the Securities, set joint targets and report progress regularly at the executive committee.

In 2018, the Group started the integrated operation of the corporate center function. The three companies gather and work together to promote inclusion & diversity within the Group.

At the annual HR exchange meetings, people from HR departments of about 40 Group companies gather to share best practices and issues. By doing so, the Group companies are in full coordination and promote inclusion & diversity effectively.

In addition, we have assigned staff in charge of promoting Inclusion & Diversity in each region to effectively address each issue under global cooperation.

MUFG's Thinking on Inclusion & Diversity

At MUFG, our vision for promoting Inclusion & Diversity is identified as "Enlighten, Encourage, Empower - Work together as a Group to exceed customer expectations."

A chemical reaction occurs as diverse employees respect each other's differences, make the most of each other's characteristics, and grow with each other. New ideas and behavioral patterns born from this chemical reaction will help us create a free and vigorous culture and value that exceed the expectations of society and customers.

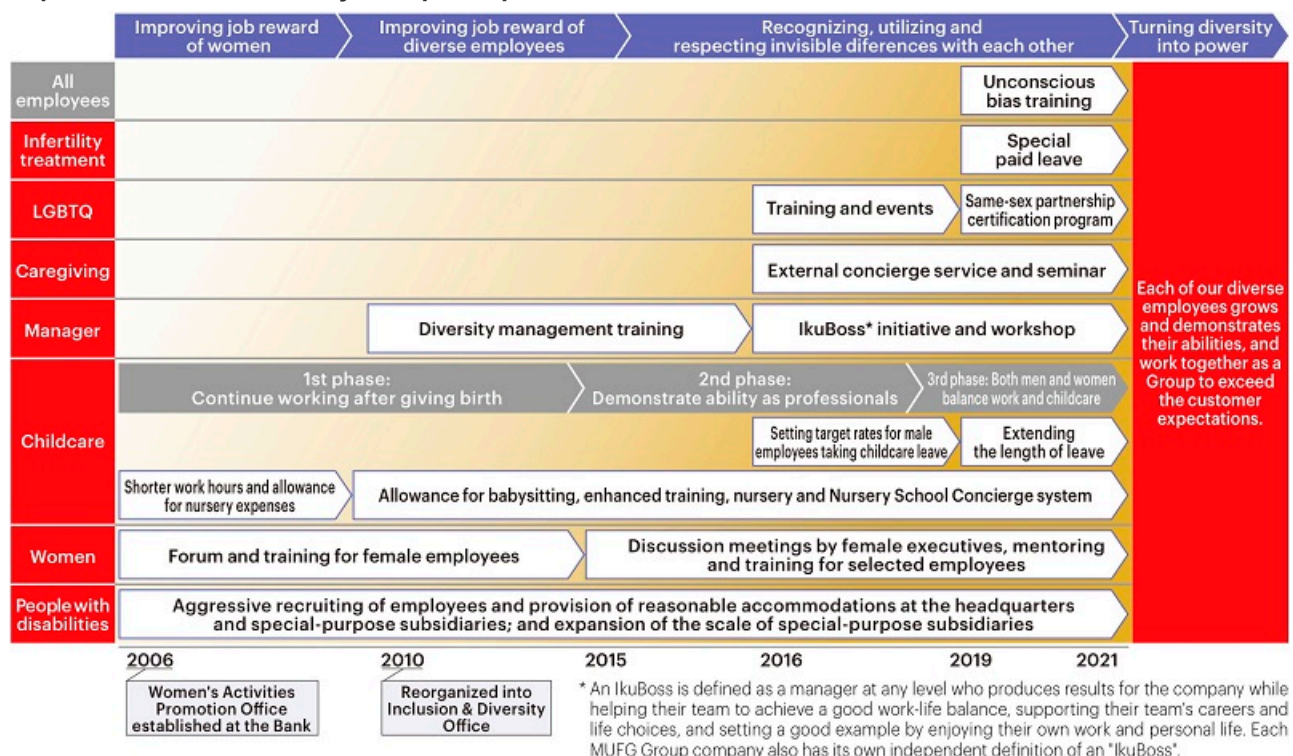
In order for MUFG to be committed to empowering a brighter future, we believe that investment in Inclusion & Diversity is essential.



Our history of Inclusion & Diversity Initiatives

Our initiatives since 2006 are as shown below. Initially, our main objective was to improve the job satisfaction of female employees. However, since 2010, we have expanded the scope of our initiatives with the aim of improving the job satisfaction of not only female employees but also diverse employees. Moving forward, we will further focus our efforts on creating workplaces where all employees of the Group can demonstrate their unique strengths and make diversity empower a brighter future.

Representative Initiatives by Group Companies



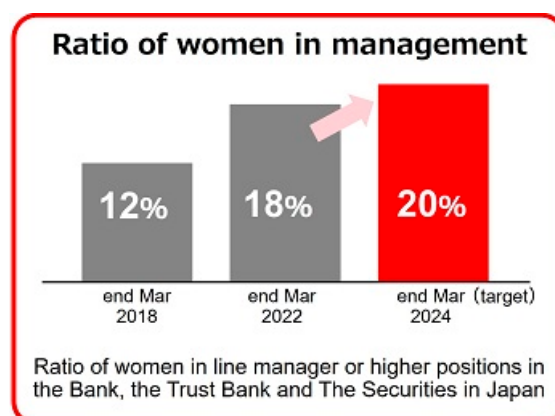
Compensation System

MUFG's compensation system for Executives, etc. is not only aimed at ensuring the achievement of short-term performance targets but also intended to better incentivize these individuals to contribute to a medium- to long-term improvement in corporate value and encourage them to take on the challenge of driving innovation. In FY2022, we also added inclusion & diversity targets to qualitative assessment indicators for determining the amount of bonuses vis-à-vis the execution status of the recipients' duties, in order to facilitate management efforts to promote and secure the robust employee understanding of inclusion & diversity.

Corporate Governance

Raising the Target for the Ratio of Women in Management in Japan from 18% to 20%

At the Bank, the Trust Bank and the Securities, our joint numerical goal is to raise the ratio of women holding positions of line manager or higher to 20% in Japan by the end of March 2024. This figure is to reflect diverse perspectives and values in areas closer to management, and serves as a milestone to achieve at least 30% in the medium- to long-term. In addition to the joint numerical targets of the three companies, each company has set its own numerical targets to promote the appointment of female employees.



* Ratio of women in line manager or higher positions.

Encouraging Male Employees to Participate in Childcare

In order to create workplace environments that allow employees to balance work and childcare regardless of gender, MUFG Group companies are carrying out initiatives to encourage male employees to take childcare leave, thereby raising awareness on more balanced work styles and promoting better understanding of colleagues who are working while raising children. Since FY2019, we have begun encouraging male employees to take childcare leave of about one month, among other initiatives.



Active Participation of People with Disabilities

We are expanding roles for employees with disabilities by establishing special subsidiaries that offer suitable work options. Currently, about 1,400 employees with disabilities are playing an active role within MUFG and the Group's employment rate is 2.56%^(note) in Japan (as of June 1, 2022).

(note) The employment rate in Japan is calculated from the number of employees with disabilities at the Bank, the Trust Bank (for these two companies, special subsidiaries and the Group companies to which the exception rule applies are included), the Securities, NICOS and ACOM using the statutory formula set in the Employment Rate System for Persons with Disabilities

Promoting Understanding of LGBTQ

MUFG clearly prohibits any harassment or discrimination on the basis of sexual orientation and/or gender identity, aiming to create workplaces where all employees can stay true to themselves, regardless of sexual orientation, gender identity, etc.

Through initiatives such as providing training opportunities, publishing a handbook, and introducing a same-sex partnership recognition program, we are promoting understanding of LGBTQ within MUFG and are also working to raise awareness of society in cooperation with other financial institutions.

Active Participation of Senior Personnel

MUFG actively supports the creation of workplaces where senior personnel can flourish, continuing to make the most of their wealth of experience and abilities while supporting their own career development. For employees who have reached a particular age, we have introduced training and programs to facilitate skill development with the aim of supporting future career development based on diverse values. For motivated employees above retirement age, we have established a continuous employment system with flexible work arrangements to provide stable work opportunities and respond to diverse employment needs.

Nurturing Global Human Resources

Today, the MUFG Group has expanded into more than 50 countries around the globe, and approximately 58% of its entire workforce is accounted for by overseas employees (as of May 31, 2022). Based on the concept of "inclusion & diversity", which is one of MUFG's priority issues, in order to recruit and develop a diverse range of professionals, it is necessary to foster our corporate brand both in Japan and overseas so that people will want to work for MUFG.

MUFG is expanding opportunities for employees to play an even more active role by operating a market-standard and globally unified human resources platform for title management, employee evaluation, wage determination and other human resources practices.

External Evaluation

As a result of various initiatives, MUFG was chosen for the Bloomberg Gender-Equality Index developed by Bloomberg LP, Nadeshiko Brand and Semi-Nadeshiko Brand under the program sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, as well as the Gold and Best Practice in LGBTQ initiative evaluation PRIDE Index.



Promotion of Inclusion & Diversity Initiatives through Financial Functions and Social Contribution Activities

Issuance of Gender Bonds by Krungsri (Bank of Ayudhya)

Krungsri (Bank of Ayudhya), our Partner Bank in Thailand, has issued social bonds (gender bonds) to support the financial needs of women entrepreneurs.

Proceeds from the bond issuance are used to finance women-led small and medium-sized enterprises in Thailand. Through the issuance of these bonds, the bank provided opportunities for the underserved women in SME segment to access financial services and contributed to the development of the fast-growing social bond market in Asia.

Through the provision of these bonds, Krungsri was presented with multiple awards and recognition as below.

- 'Best Bank for Women Entrepreneurs' at the Global SME Finance Awards 2021 (International Finance Corporation)
- 1st Runner-Up for the UN Women 2021 Thailand WEPs Awards in the Gender-Responsive Marketplace Category (UN Women)



Donations for Supporting Women's Health

As part of our efforts to support women's health, we made a donation to the Japan Society of Fertility Preservation in order to spread accurate information on breast cancer and cervical cancer (methods for early detection and prevention, etc.). In recent years, cancers specific to women have become more common among younger ages, with an increasing number of cases occurring in their 20s to 40s. Amongst them, breast cancer is the most common followed by cervical cancer. Continuous medical examinations are important for early detection of cancer. In particular, the medical examination rate of cervical cancer, which occurs among those in their 20s and requires screening at a young age, is as low as 25.7%. Also, the HPV vaccination rate is low.

MUFG believes that it is important to realize a society in which women can build life plans with peace of mind and play active roles in various situations. Through the Japan Society of Fertility Preservation, MUFG will promote early detection and prevention methods such as continuous medical examinations for cancer among young women.



Please see [Inclusion & Diversity](#) for details.

Developing Social Infrastructure

To help develop a social infrastructure that is resilient against disaster and vitalize regional communities, MUFG is engaged in project finance and the formulation of funds, accommodating funding needs associated with the strengthening of aged infrastructure at home and abroad as well as the development of social infrastructure, especially in emerging countries.

Moreover, in the wake of the rapid popularization of digital technologies, we are striving to develop a solid financial system equipped with enhanced cyber security measures and capable of offering higher customer convenience. In this way, we are contributing to the safe and secure social transition to digital technologies.

MUFG's recognition	Opportunities	Robust countermeasures against the aging of infrastructure at home and abroad are key to the creation of sustainable society, as is the construction of social infrastructure, particularly in developing countries.
	Risks	For us to maintain trust and reliability as a financial institution and a component of social infrastructure, the proper handling of threats to safety and security is a requisite. It is therefore essential to strengthen security measures safeguarding informational assets and prevent financial crimes that have become ever more complex and sophisticated.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> ● Extending social loans, which require borrowers to use funds for projects aimed at resolving social issues via, for example, the development of railway infrastructure to mitigate traffic jams and reduce exhaust gas, the development of water-related infrastructure, and the construction of hospitals ● Assisting a project in the field of electricity transmission and distribution to mitigate environmental impact implemented by an electric utility company in Saudi Arabia through a united loan framework developed by the Japan Bank for International Cooperation (JBIC) to support Global action for Reconciling Economic growth and ENvironmental preservation (GREEN) 	

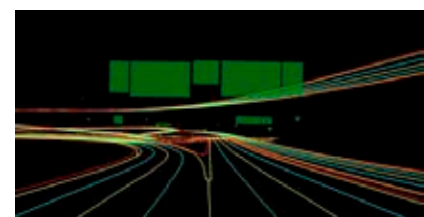
Main Initiatives

Solving Social Issues Using Social Loans

MUFG is extending social loans, which require borrowers to use funds for projects aimed at resolving social issues via, for example, the development of railway infrastructure to mitigate traffic jams and reduce exhaust gas, the development of water-related infrastructure, and the construction of hospitals.

Contribution to Development of Social Infrastructure, Including Autonomous Driving and Advanced Driver-Assistance Systems

The Bank has entered into a social loan agreement with Dynamic Map Platform Co., Ltd., which generates, maintains, and provides high-precision 3D map data (HD maps) for a variety of applications, including automotive and smart city applications. As its medium-to-long-term vision, the company aims to realize a 3D location information platform that contributes to Society 5.0^(note). In addition to autonomous driving and advanced driver-assistance systems, the company is developing highly accurate 3D data that can be used for social infrastructure development, including infrastructure maintenance and management systems as well as



High-precision 3D map data (HD map) image

disaster prevention and mitigation systems. Since the loan will be used to develop an HD map that contributes to Society 5.0, MUFG is contributing to solving social issues through the provision of funds.

(note) Society 5.0: A human-centered society that balances economic development and the resolution of social issues through a highly integrated system of cyberspace (virtual space) and physical space (real space).

Provision of Support in the Field of Electricity Transmission and Distribution to Mitigate Environmental Impact in Saudi Arabia

Based on its national growth strategy, Saudi Vision 2030, Saudi Arabia is shifting from the oil-dependent economy. As part of this effort, Saudi Electricity Company (SEC) has been promoting projects that contribute to the expansion of renewable energy and the improvement of energy efficiency. Now, SEC's challenge is to enhance its electricity transmission and distribution network for stable supply of renewable energy source to consumers.

Through a united loan framework developed by the Japan Bank for International Cooperation (JBIC) to support Global action for Reconciling Economic growth and Environmental preservation (GREEN), MUFG has provided US\$5 million in co-financing to support an environmental impact mitigation project in the field of electricity transmission and distribution by SEC.

Moving forward, we will continue to support our customers' decarbonization efforts through collaboration with government-affiliated financial institutions.

Contribution to Development of Water Infrastructure in Saudi Arabia

As a response to the rapid economic and population growth in Saudi Arabia, the government of Saudi Arabia has tendered the construction and operation of several new sewage treatment plants. One of MUFG's key clients – together with its consortium partners – were awarded with the concession to build and operate three of the largest sewage treatments plants in the country, which converts wastewater into usable water for agricultural purposes.

MUFG was awarded the role of ESG Coordinator due to its relationship with the sponsors and MUFG's focus on sustainable projects. In this role, MUFG wrote the Green Loan Framework and successfully arranged a Second Party Opinion for the consortium. MUFG's other roles included Market Hedge Provider, Global Facility Agent, Conventional USD Facility Agent, Offshore Security Trustee and Offshore Account Bank on all three projects, contributing to the development of water infrastructure in Saudi Arabia.

First Sustainability Bond Issued by a Company in the Transportation Sector in Southeast Asia

Krungsri (Bank of Ayudhya), our Partner Bank in Thailand, has underwritten the first sustainability bond issued by a company in the transportation sector in Southeast Asia in April 2021.

A part of the proceeds from the issuance will be used for equity investment in one of the issuer's transportation projects.

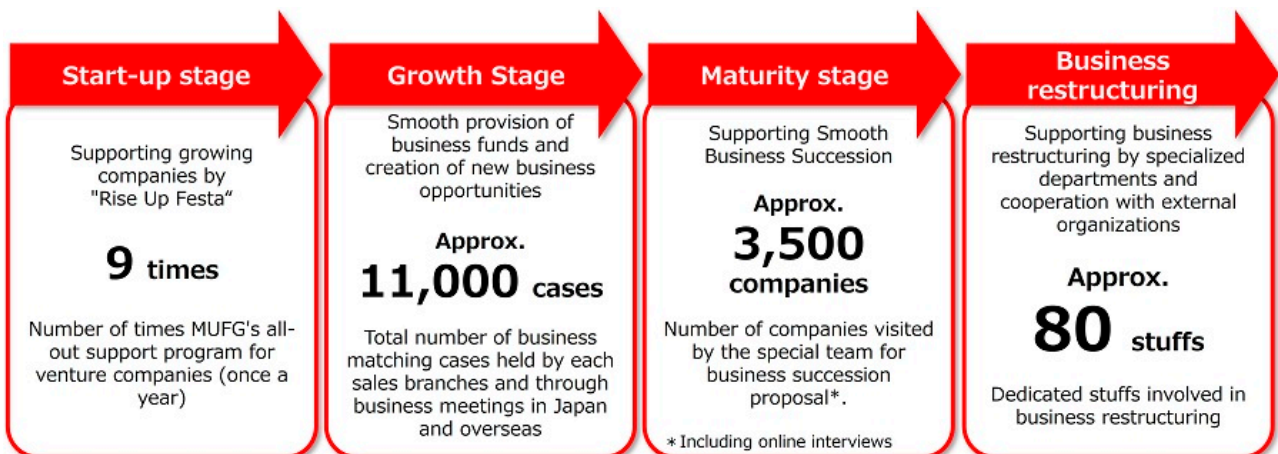
Supporting Industrial Development & Innovation

MUFG is tackling business incubation and supporting innovation by providing growing industries and venture startups with a variety of business opportunities.

MUFG's recognition	Opportunities and risks	Offering assistance for the creation of growing industries, which are the drivers of economies, and vibrant venture startups is essential to avoiding economic stagnation and securing sustainable growth. Our financial functions are expected to play an important role as such endeavors require a financier capable of risk-taking.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> Promoting financing for overseas startups (Mars Growth Capital, MUFG Ganesha Fund) Hosted "MUFG ICJ ESG Accelerator," the first ESG accelerator program in Japan's banking industry in tandem with Inclusion Japan, Inc., which is engaged in ESG investment in the venture field 	

Main Initiatives

Supporting Every Business Stage



Hosting of "MUFG ICJ ESG Accelerator," the First ESG Accelerator Program in Japan's Banking Industry

In tandem with Inclusion Japan, Inc., which is engaged in ESG investment in the venture field, we held "MUFG ICJ ESG Accelerator," the first ESG accelerator program in Japan's banking industry. This program is aimed at facilitating collaboration across a range of players from startups and business corporations to venture capital and other investors in order to accelerate business development endeavors toward the realization of carbon-neutral and circular economies. Of 98 venture startups applying for this program, 14 companies were selected as

finalists. MUFG has since engaged these companies in discussions alongside its cosponsoring partners to co-create new businesses.

Going forward, MUFG will help startups move forward steadily toward the commercialization of their endeavors, working in tandem with them to assist their efforts to discover growth opportunities and launch innovative businesses.

Holding the Ninth Rise Up Festa

As part of these efforts, since 2014 we have held Rise Up Festa in which we take full advantage of our network and abundant knowhow in management support and other fields to assist venture startups that take on novel or unique business endeavors over the medium- to long-term. At the 9th Rise Up Festa in 2022, we solicited a wide range of business proposals in fields that are expected to grow in the future. Of the more than 150 business plans submitted, eight plans were awarded for their originality and appeal.

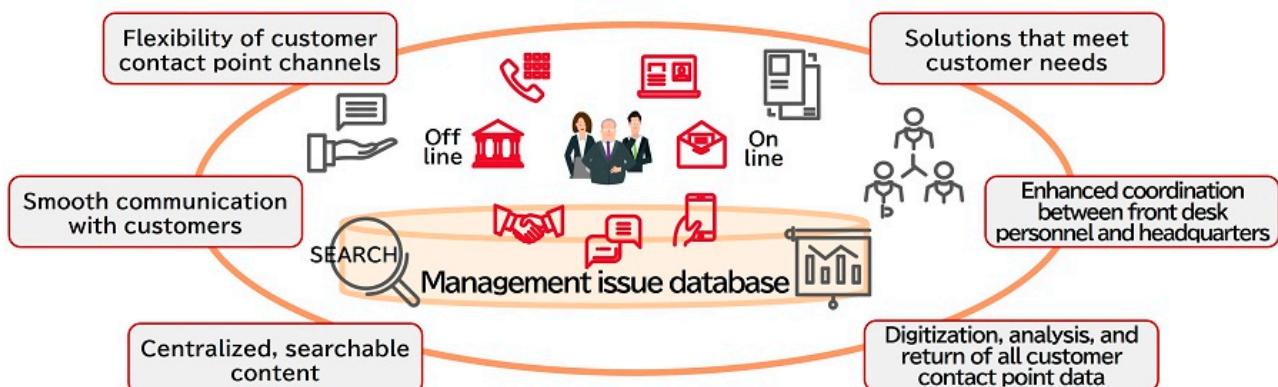


Offering of a Business Platform for Corporate Customers

In partnership with BusinessTech Co., Ltd., NTT Data Corporation, and Salesforce Japan Co., Ltd., MUFG Bank began offering a business platform for corporate customers aimed at regional financial institutions in June 2022. The business platform for corporate customers is a new comprehensive financial service platform that provides, in addition to the financial solutions and information content having been provided by financial institutions so far, solutions that contribute to solving issues in non-financial areas, such as DX, ESG, and regional revitalization. By utilizing this platform, regional financial institutions will be able to provide solutions easily and collectively to the various management and social issues faced by their business partners.

Through provision of this platform, we aim to solve corporate management and social issues and contribute to industrial development and innovation creation.

Advantages of offering a business platform for corporate customers



Promoting Financing for Overseas Startups

Mars Growth Capital

Mars Growth Capital, a joint venture established by the Bank and an Israel-based fintech company Liquidity Capital, provides debt finance to startups in Asia Pacific and Europe by utilizing a unique AI credit scoring model. Growing start-ups often have difficulty borrowing from financial institutions due to their short business history and loss-making nature in their growth stage. However, Mars Growth Capital uses AI to evaluate a company's growth potential and make loans possible. Since its launch in 2020, Mars Growth Capital has grown steadily with two funds currently in operation: The first fund is for mid-stage companies (US \$200 million) and the second fund for late-stage companies (US \$300 million).

MUFG Ganesha Fund

In March 2022, we established the MUFG Ganesha Fund with an investment commitment of US \$300 million designed for startups in India. Through this fund, the Bank will invest in middle- to late-stage Indian startups. India, aided by strong economic growth, has seen an increase in the number of startups leveraging digital technology, given the rise of young digital natives in the country, the rapid spread of the Internet, and the promotion of governmental policies that support digitalization.

We will further contribute to the development of new industries and the sustainable development by financially supporting the growth of startups that use technology to solve environmental and social issues.

Support for Regional Revitalization

MUIC Kansai Innovation Center Recognized as an "Outstanding Initiative" of a Financial Institution that Contributes to Regional Revitalization

In February 2021, MUFG opened MUIC Kansai in Osaka, a membership-based innovation center, as an initiative to solve issues in the tourism industry and revitalize the Kansai economy.

The core function of MUIC Kansai is a "problem-solving programs" aimed at creating innovation, and MUIC Kansai provides a platform that can identify social issues to be solved, conduct a PoC, and implement the solutions in society in an integrated manner. In addition, the facility is equipped with co-working spaces and shared offices, available for various relevant events to provide opportunities for new business matching for co-creation from the perspective of both hardware and software.

As a result of these efforts, MUIC Kansai was recognized as an "outstanding initiative" of a financial institution contributing to regional revitalization by the Council for the Realization of the Digital Rural City State Concept, Cabinet Secretariat and MUFG received an award from the Minister of State for Special Missions (regional revitalization representative).

(note) "Outstanding initiative": A case study that the Japanese government recognizes as a collaboration effort and a pioneering initiative by financial institutions to contribute to regional revitalization in collaboration with local governments.

MUIC Kansai

ALL JAPAN Tourist Area Regeneration/Revitalization Fund

Invigorating the domestic tourism industry is positioned as one of Japan's critical economic policies and is deemed key to facilitating regional revitalization. Moreover, it is seen as an essential growth strategy as the nation strives toward a GDP target of ¥600 trillion. With the number of visitors from overseas growing, the industry is seeing the creation of new and varied market demand and its potential is expanding. However, on the business front, the industry is faced with a number of challenges, including a shortage of accommodation due to an aging and insufficient supply of facilities, the graying of facility operators and a pressing need for management succession planning. Regional businesses are also being called upon to develop new sightseeing resources and meet increasingly diverse tourist needs.

To help the industry take on these challenges, the ALL JAPAN Tourist Area Regeneration/Revitalization Fund was instituted in April 2018. The first domestic private fund of its kind, this megafund is uniquely designed to facilitate investment that transcends regional boundaries. Alongside other leading business corporations representing various industries, MUFG will collaborate with regional financial institutions to operate the fund, thereby promoting a thriving tourism industry and invigorated regional economies in all 47 prefectures nationwide. By doing so MUFG will actively contribute to Japan's industrial development and economic growth. As of the end of August 2022, the number of investment projects totaled 33 (14 real estate investments and 19 venture investments). Some of these projects are listed below. We are also currently considering the establishment of a second fund.

Examples of Investment Projects

KAI Izumo (Izumo City, Shimane Prefecture)

Renovation of hot spring accommodation facilities located in the tourist area of "Hinomisaki." By attracting Hoshino Resorts, which are highly acclaimed throughout Japan, KAI Izumo aims to develop a high-quality hot spring accommodation that allows guests to rediscover the charm of the region. It has contributed to an increase in tourists in Izumo City and the Hinomisaki area.



Fairfield by Marriott (29 properties in Hokkaido, Hyogo, and other 16 prefectures)

A project to develop Marriott International's Fairfield by Marriott brand hotels near Michi-no-Eki roadside stations. By providing accommodation infrastructure near Michi-no-Eki roadside stations, which function as action bases for travelers, as a network to provide accommodation to foreign visitors and the wealthy, etc., we will contribute to development of a tourism-oriented country by inviting foreign visitors to rural areas and creating new tourist routes.



Tripla Co., Ltd. (Business activities: AI development, Creation of IT solutions for the travel industry)

A start-up company that not only improves the operational efficiency of accommodation facilities by providing IT and AI solutions but also maximizes in-house reservations and the acquisition of hotel members, thereby contributing to the improvement of the profitability of each facility. The SaaS-type accommodation booking engine "tripla Book" has already been introduced to more than 1,500 facilities in Japan and overseas, and more than 1,000 facilities have entered contracts (current as of August 2022) for "tripla Bot," which is equipped with proprietary AI. In addition, we have developed a one-stop service that improves accommodation services and maximizes revenues, such as triplaConnect, a CRM and marketing automation solution specialized for accommodation facilities, and tripla Pay, a local payment service. Through the expansion of the company's services, the business efficiency of lodging and other facilities suffering from under staffing and complex issues will be improved, contributing to providing higher quality services to travelers.



Wiredbeans Inc. (Business activities: Planning, development, and sales of manufacturing businesses, Development and operation of e-commerce sites)

A start-up company in Sendai City that is developing its two main business lines: manufacturing business and digital solutions business. As for the company's manufacturing business, it manufactures and sells "real goods" which make people want to spend their lifetime with, such as glasses and mugs created by skilled craftsmen. In the digital solutions business, the company is developing and supporting e-commerce sites for many manufacturers. In 2020, this fund project and the company collaborated together on a project to help restore traditional industries with severe economic impact by, for example, plunge in sales due to the COVID-19 pandemic and a decline in tourism. Utilizing the fund's network of regional financial institutions, we are recruiting ceramics craftsmen (potteries) from various regions who can manufacture "Mugs for Life," which are designed by the company.



Interest Rate Subsidy Program to Support Regional Revitalization

The interest rate subsidy program to support revitalization is a comprehensive Cabinet office support program to encourage autonomous and independent local initiatives that invigorate local economies, create local employment opportunities and revitalize communities in other ways. Companies that borrow money for businesses that contribute to community regional revitalization plans can receive up an interest rate subsidy of up to 0.7% from the Cabinet office.

Interest Rate Subsidy Program to Support Comprehensive Special Zones

In response to changes in the socioeconomic situation, including changes in the industry structure and the international competitive landscape, as well as the rapid decline in the birthrate and aging of the population, the interest rate subsidy program to support comprehensive special zones serves as a comprehensive and concentrated effort to bolster the international competitiveness of Japanese industry and promote regional invigoration, thereby buttressing Japan's socioeconomic strength and facilitating sustainable development. Companies that borrow money for businesses that contribute to the plan for comprehensive special zones can receive an interest rate subsidy of up to 0.7% from the Cabinet office.

Ensuring Equal Access to Financial Services

By ensuring equal access to financial services, MUFG support economic development and improvements of living standards in emerging and developing countries, while addressing issues arising from gaps in information.

MUFG's recognition	Opportunities and risks	Providing more customers with opportunities to access financial services and investment not only contributes to improving the growth of economies but also allows for MUFG to secure an even more robust foundation for growth.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> Partner banks collaborate with Grab by providing saving and loan products to underserved segments such as Grab drivers and Grab micro food merchants. By combining Grab's dynamic data and partner banks' expertise in consumer finance, we are meeting the financial needs of new customers for partner banks, thereby further expanding our customer base and contributing to financial inclusion Contribute to industrial development and employment opportunity creation in emerging and developing countries through microfinance 	

Main Initiatives

Provision of Microfinance through HATTHA Bank Plc.

Krungsri (Bank of Ayudhya), our Partner Bank in Thailand, provides opportunities for customers in emerging and developing countries to access financial services through its microfinance institution in Cambodia, HATTHA Bank Plc (HTB), and others.

In addition to providing microfinance, HTB also provides financial education to those with low-income, which contributes to improving their living standards.

Results of HTB Microfinance in 2021	
Number of Transactions	203,789 (+10.46% year on year)
Outstanding loan balance (USD mil)	1,691 (+27.82% year on year)
Number of branches	177 (±0% year on year)

Collaboration with Grab

Partner banks collaborate with Grab by providing saving and loan products to underserved segments such as Grab drivers and Grab food merchants. By combining Grab's dynamic data and partner banks' expertise in finance, we are meeting the financial needs of new customers for partner banks, thereby further expanding our customer base and contributing to financial inclusion.

Target	From	Progress
Drivers	Sep.2020	210k loans disbursed (As of 22/5) (+174% year on year)
Food Merchants	Oct.2020	52k loans disbursed (As of 22/5) (+578% year on year)

Krungsri (Bank of Ayudhya)'s Effort to Promote Financial Literacy

Krungsri (Bank of Ayudhya) has initiated "Krungsri Financial Literacy: Simple to Learn" Project since 2015 to promote basic financial knowledge and saving habits among primary school students in grades four to six throughout the country.

Due to the COVID-19 pandemic, Krungsri adjusted its activities and collaborated with Office of the Basic Education Commission (OBEC), Equitable Education Fund (EEF) and the Bank of Thailand (BOT) to develop an online animated series, which featured easy-to-digest and entertaining financial knowledge. This series have been distributed to more than 28,000 primary schools and has contributed to promote financial literacy among many children.



Provision of Financial Education by Bank Danamon to Improve Financial Literacy

To improve the quality of life in communities, Bank Danamon supports the Government's financial literacy program.

Also, Bank Danamon has established a target of increasing financial literacy knowledge by 10-20% per year, and periodic evaluations and monitoring are conducted to improve the quality of the program.

During 2021, there were 91 episodes covering various topics such as personal and business financial management, investment products and selection methods, all aired through the YouTube Bank Danamon channel. In addition, Bank Danamon arranged for seminars to increase financial literacy and distributed medical kits as health support for the Micro, Small, and Medium Enterprises in West Sumatera, and other areas.



Promoting Workstyle Reforms

As we aim to enable employees to realize their full potential, we have promoted the revision of administrative procedures and the streamlining of meeting practices while going paperless and developing infrastructure for remote working. By doing so, we help employees allocate more time to engaging in direct communications with customers and taking on new challenges.

We are pushing ahead with expanding the scope of banking procedures that can be completed online, believing that improving the efficiency of our financial functions, which constitute a part of social infrastructure, will help society as a whole achieve higher productivity, in addition to making us more productive.

MUFG's recognition	Opportunities and risks On the back of Japan's declining population, businesses are expected to provide their employees with opportunities to embrace flexible workstyles aligned with an evolving sense of values, changes in social structure and the growing need to strike a work-life balance. Fulfilling these expectations provides the baseline for the effective utilization of human resources and achievement of corporate growth and, in light of fallout from COVID-19, has become a matter of even greater importance.
	Opportunities and risks Improving the efficiency of our financial functions, which constitute a part of social infrastructure, will help society as a whole achieve higher productivity while positioning us for greater productivity as well.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> Promoting the development of a working environment supportive of remote working by, for example, enhancing satellite offices, facilitating the use of online meetings, and upgrading functions of company-furnished smartphones Improving operational efficiency through the digitalization of customer transactions and documents used for back-office procedures (e.g., digitalizing personal seal image registration forms, digitalization of balance certificates to be issued upon auditor request)

Main Initiatives

Promotion of Smart Work

MUFG is promoting the active use of remote work and staggered working hours, and employee motivation and work efficiency by realizing a flexible work style that is not restricted by location or time.



The Development of a Working Environment Supportive of Remote Working

Promoting the development of a working environment supportive of remote working by, for example, enhancing satellite offices, facilitating the use of online meetings, and upgrading functions of company-furnished smartphones.

Paperless Initiatives

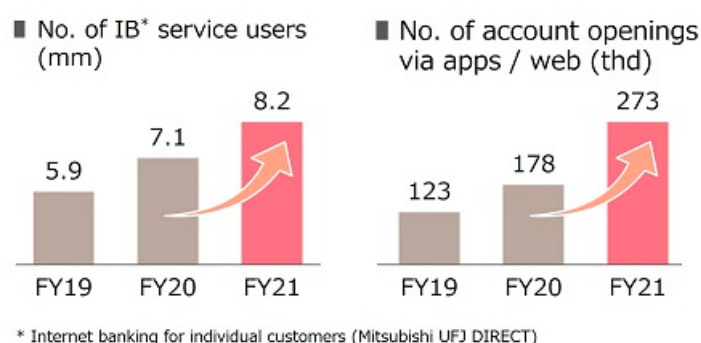
With the release of an online business card exchange function, we are promoting the digitization of business cards and the digitization of contracts to promote paperless initiatives.

Enhancement of Customer Convenience by Shifting to Online Channels

Steady Digital Shift

We are working to improve operational efficiency by digitizing transactions with customers and paperwork.

The number of individual Internet banking users exceeded eight million in fiscal 2021 and the number of new account openings via app exceeded the number of accounts openings at branch counters for the first time. These results indicate the steady progress of the digital shift.

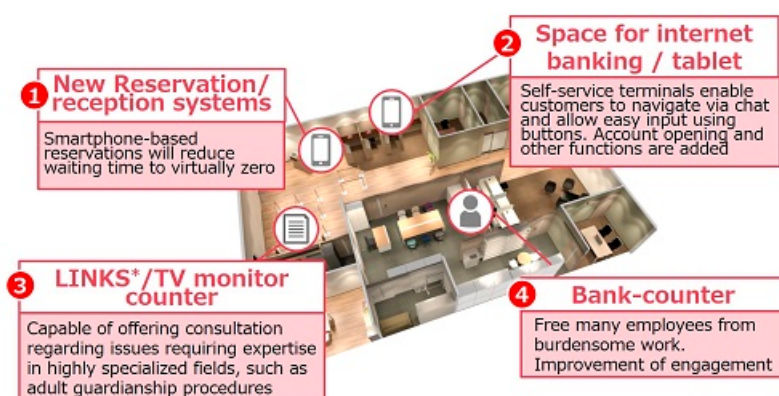


Digitization of Auditing Firm Balance Certificates

In fiscal 2021, we achieved an end-to-end digitization of audit firm balance certificates from reception to submission, leading to a reduction in the amount of related administrative work.

Initiatives to Realize the Next Generation Branch Offices

MUFG is expanding its range of apps and self-service devices to improve customer convenience and improve operational efficiency.



* Low-counter Interaction Knowledge Station (Terminal that connects to operational center via TV, which can handle consultation related mortgage, inheritance and etc.)

Response to Poverty

MUFG is tackling poverty issues in line with its support of the United Nations Sustainable Development Goals (SDGs), which aim to create a sustainable world that leaves no one behind. In addition to utilizing our financial functions to help those in need, our initiatives in this field include a broad range of social contribution activities, such as making donations.

MUFG's recognition	Risks Poverty often results in a variety of other problems posing serious threats to social stability (e.g., public health, hygiene and security) and human rights (e.g., sufficiency in food, clothing and housing) as well as to the formation of a basis for sustainable economic growth (e.g., educational equality).
Examples of initiatives to address the issue	<ul style="list-style-type: none"> To support the healthy upbringing of children, we engage in ongoing donations contributing a total of ¥180 million over a three-year period. These donations are directed to three separate NPOs^(note) that strive to assist poverty-stricken families and children battling diseases <p>(note) CliniClowns Japan, Learning for All and Chance for Children</p>

Main Initiatives

Continuous Support

To support the healthy upbringing of children, we engage in ongoing donations contributing a total of ¥180 million over a three-year period. These donations are directed to three separate NPOs^(note) that strive to assist poverty-stricken families and children battling diseases.

(note) CliniClowns Japan, Learning for All and Chance for Children

Supporting Several Kodomo Shokudo, Dining Services for Disadvantaged Children

MUFG implements “MUFG SOUL”, a framework in which employees are invited to submit passionate and original ideas for CSR activities with MUFG providing financial support for these activities. This is designed to encourage employees to set their sights higher regarding what they can do for the public good and to take tangible action. This contributes to the resolution of a wide range of social issues by addressing them from the perspective of employees.

Utilizing this framework, MUFG supported several *Kodomo Shokudo* (volunteer-run cafeterias that provide free or inexpensive meals to children) through monetary and food donations.



Children's Poverty Symposium

We held an in-house symposium on children's poverty, inviting representatives from Learning for All (NPO) and Chance for Children as well as experts from Mitsubishi UFJ Research and Consulting. In addition to an overview of the reality of child poverty in Japan and its impact on society, the activities of each organization were introduced. At the end of the event, speakers answered questions from the participant employees, helping them deepen their knowledge of the social issue of child poverty as well as providing an opportunity to think about social issues.



Reduction of Educational Disparities

Believing that proper education is the bedrock of a stable society and empowers it to achieve sustainable economic development, we provide financial and economic education to help raise the general public's financial literacy as part of our mission as a financial institution. Since the emergence of the COVID-19 pandemic, we are more focused than ever before on offering educational assistance as the number of young people found to be negatively affected by inequality in educational opportunities has been growing amid the pandemic's fallout.

MUFG's recognition	Opportunities Those who are now students will shape the next generation and, therefore, constitute the foundation of future society. Among them may also be our potential colleagues. Therefore, supporting them is of great importance.
	Risks Proper education is at the base of social stability and sustainable economic growth. Thus, educational shortfalls can result in a negative heritage of inequality that will be passed down to future generations. The lack of educational opportunity due to economic disadvantage therefore deserves major public attention and needs to be tackled.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> Supporting a fellowship program that sends skilled individuals with outstanding qualifications and abilities in the educational field as teachers to schools for two years (Donating to the NPO Teach For Japan)

Main Initiatives

Supporting the Provision of Access to UN SDG Focused Information

RELX is a major UK-based FTSE-100 company and a leading global provider of information-based analytics and decision tools for professional and business customers. RELX's sustainability credentials are well recognized externally with ratings and credentials among the best in the peer group.

In April 2022, MUFG acted as Sustainability Co-Ordinator for RELX's debut sustainability-linked loan.

By providing this finance, MUFG is supporting RELX commitment to have a global impact by providing free, sustainable access to information via the "RELX SDG Resource Centre" website, advancing the awareness, understanding and implementation of the 17 UN SDGs, which aim to end poverty, protect the planet, and ensure prosperity for all people by 2030.

Contributing to Improving the Quality of Education

MUFG donated to Teach For Japan, an NPO that supports a fellowship program to send skilled individuals with outstanding qualifications and abilities in the educational field as teachers to schools for two years.



Supporting the Fight Against the COVID-19 Pandemic

In order to support children who have no choice but to abandon their studies for economic reasons and who have lost their parents due to illness or disaster, MUFG donated a total of 1 billion yen to the Ashinaga Scholarship Foundation and Japan Educational Exchanges and Services.



Elevating Disadvantaged Young People through 'Mentoring Works' Programme

MUFG London branch has been collaborating with BIG Alliance and its flagship education program "Mentoring Works". Since 2013, the program has supported students from the local community 'Islington', where an estimated 47.5% of children live in poverty.

The programme focuses on local under-served young people, who are more likely to Not be in Education, Employment or Training (NEET) in comparison to their peers from other London districts with the same qualifications.

The impact of coronavirus continues to widen the educational gap, making this initiative even more important.

'Mentoring Works' matches students to volunteer mentors working in local corporates such as MUFG. The programme offers students vital employability focused insight that supports them to acquire the knowledge and skills necessary to succeed in the ever-changing job market. So far, 285 MUFG mentors participated since 2013. Over the years, they encouraged young people to expand their visions of what they want to achieve in life and career regardless of their socio-economic backgrounds.



Support from the MUFG-UNESCO Association Great East Japan Earthquake Reconstruction Scholarship Fund

In April 2011, MUFG established the MUFG-UNESCO Association Great East Japan Earthquake Recovery and Scholarship Fund to provide continuous support through a scholarship program for children and students who lost their parents in natural disasters. The total amount of the fund is estimated to be approximately three billion yen.

Overcoming Threats to Health

We also believe that maintaining public health is key to the constant improvement of how society functions and this, in turn, empowers people to enjoy sustainable economic activities.

We will continue to undertake a variety of initiatives to enable our customers, communities, society, as well as the next generation, to pursue various healthy lifestyles.

MUFG's recognition	Opportunities	Innovation in the healthcare sector will contribute to improvement in social and economic resilience.
	Risks	The sustainability of economic activities will be largely dependent on the strengthening of capabilities for preventing novel infectious viruses from spreading (via the development of vaccines, etc.) and responsiveness to the pandemic (via the development of medical technologies and institutions) in order to ensure robust social functions in anticipation of the further aging of population.
Examples of initiatives to address the issue	<ul style="list-style-type: none"> Made an impact investment in a U.S.-based firm engaged in the R&D of vaccines for cancer, malaria, dengue fever, COVID-19 and other diseases. Our framework for impact investment is specifically designed to create positive environmental and social impacts while also ensuring an appropriate financial return. MUFG has provided personnel to the investee in order to closely support its business management 	

Main Initiatives

Supporting R&D of Next-Generation Vaccines through Impact Investing

The Bank has entered into an investment agreement with VLP Therapeutics, Inc., a biotechnology company. With its business philosophy of responding to the “unmet medical needs” of the world, VLP Therapeutics researches and develops cancer treatment as well as vaccines for malaria, dengue, and COVID-19. Considering the social significance and the potential the firm has, we have decided not only to directly invest in the firm but also to provide personnel to VLP Therapeutics in order to support its business management more closely.



Supporting Provision of Essential Medicines to Low- and Middle-Income Countries

Sanofi, based in France, is a leading global healthcare company actively involved in the research, development, manufacturing, and marketing of therapeutic solutions. Sanofi products are sold in over 170 countries.

Sanofi's integrated social impact strategy aims to build a healthier, more resilient world by ensuring access to healthcare for the world's poorest people.

In March 2022, MUFG acted as an active bookrunner for Sanofi's inaugural Sustainability Linked Bond (EUR 650 million, seven-year tenor). This financing is designed to link the future interest rates with the success of Sanofi Global Health's (Sanofi's non-profit Business Unit) provision of essential medicines to at least 1.5 million patients between January 2022 and December 2026 (cumulative) in low-income and lower-middle-income countries.

Support for the Long-Term Fight Against the COVID-19 Pandemic

As the Covid-19 Pandemic continues, MUFG has continued to provide support in the fields of medicine and the arts in response to the widespread and profound impact that it has had on society and the economy.

Medical field

Due to the spread of Covid-19, there are serious concerns about a shortage of medical care. MUFG donated approximately 400 million yen to the All Japan Hospital Association to support hospital personnel who are on the front lines providing medical examinations and treatment. Through this association, MUFG recruit hospitals that need support, and contribute to maintaining and strengthening a stable local medical care provision system.



Art and cultural fields

Due to the impact of Covid-19, many classical music performances have been canceled or postponed, and audience capacity has been limited for concerts. In FY 2021, MUFG donated 300 million yen to the Association of Japanese Symphony Orchestras to support music and art activities that enrich people's spirits and lives. The funds will be used to support the activities of the 37 member organizations.

Krungsri Breast Cancer Awareness'

Krungsri (Bank of Ayudhya) has been involved in diverse activities to ensure health and high-quality healthcare as well as promoting well-being of the local community and their employees.

In collaboration with Thanyarak Foundation, Krungsri has provided free breast cancer screenings for disadvantaged women, as well as supporting creation of online media which aims to enhance knowledge of the breast self-examination.

This online media will be delivered to public health service centers, to increase awareness for breast cancer.



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มูลนิธิธรรมาภรณ์ในพระราชูปถัมภ์สมเด็จพระศรีนครินทราบรมราชชนนี

Bank Danamon Supporting the Fight Against the COVID-19 Pandemic

Bank Danamon, our Partner Bank in Indonesia, joined hands with the Ministry of Health and OJK, etc. to provide COVID-19 vaccination to employees and the community in 14 cities. Furthermore, under the coordination of the National Agency for Disaster Countermeasures, Bank Danamon continued the commitment to provide insurance for more than 13,000 COVID-19 volunteers. The insurance provided support and tranquility for volunteers while they took part in the fight against the pandemic.

In addition, with Sharia-Based Non-profit organization “Dompot Dhuafa”, Bank Danamon established three emergency hospitals in Jakarta to provide support for those affected by the COVID-19.



Disclosure Based on TCFD Recommendations

Highlights

In order to contribute to the achievement of a sustainable society, MUFG has identified climate change measures & environmental protection as one of its priority environmental and social issues. Acutely aware of the importance of climate-related financial disclosure, MUFG has declared its support of relevant recommendations formulated by the Task Force on Climate-related Financial Disclosures (TCFD), a special taskforce established by the Financial Stability Board (FSB). In line with these recommendations for disclosure of climate change-related risks and opportunities in its Governance, Strategy, Risk Management, and Metrics and Targets, TCFD is pursuing the following.

Status of Response to TCFD Recommendations

Governance

Disclose the organization's governance around climate-related risks and opportunities.

- a. Describe the board's oversight of climate-related risks and opportunities.
- b. Describe management's role in assessing and managing climate-related risks and opportunities.

- Governance to deal with climate change - the Board of Directors supervises climate change-related initiatives -
 - Opportunities and risks related to the environment and society, including climate change, are regularly discussed by the Sustainability Committee under the Executive Committee. Depending on the theme, matters are also reviewed by the Credit & Investment Management Committee, Credit Committee, and Risk Management Committee also under the Executive Committee. The contents of the review by the committees are reported to the Executive Committee and then to the Board of Directors to be reviewed.
 - The contents of the review by the Credit & Investment Management Committee and the Risk Management Committee are reported to the Board of Directors after being reviewed by the Risk Committee, which is composed mainly of outside directors.
- Established the MUFG Environmental Policy Statement, the action guideline for environmental considerations (May 2018)
 - To be determined by the Board of Directors from May 2021: Clearly stated the commitment to proactively disclose information concerning the environment, including climate change
- Installed the Chief Sustainability Officer (CSuO) of the Group to strengthen our efforts to address environmental and social issues, including climate change, and to clarify our responsibilities (May 2020)

- Invited and utilized two external advisors for the environmental and social fields (2019)
- Reflected ESG factors in the executive compensation system (after FY 2021)
- Started to review the performance-linked indicators for executive compensation from FY 2021 and reflected the degree of improvement found through the external ratings granted by five major ESG rating agencies to further advance sustainability management

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

- Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
- Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
- Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

- Disclosed the progress after releasing the MUFG Carbon Neutrality Declaration (April 2022)
- Declared the achievement of net-zero GHG emissions from our financed portfolio by 2050 and net-zero GHG emissions from our own operations by 2030 (May 2021)

[Main Initiatives to Achieve Carbon Neutrality]

- Net Zero GHG Emissions from the Financed Portfolio**
 - Determined the power and oil & gas sectors as priority sectors. Measured actual results (2019) and set interim targets for 2030.
 - Power: GHG emission intensity from 349gCO₂e/kWh to 156-192gCO₂e/kWh; Oil & Gas: Reduce absolute GHG emissions from 83MtCO₂e by 15-28%.
- Decarbonization through Financial Services**
 - Providing diverse solutions to help them measure their own GHG emissions, set reduction plans, and implement carbon offsets. Proactively worked to establish rules and design markets.
- Net Zero GHG Emissions from Own Operations**
 - Made progress on measuring global group-wide GHG emissions
 - Completed shift to 100% renewable energy for electricity procured domestically by the Bank, the Trust Bank, and the Securities HD. This will reduce Japan-based emissions by about 60% (about 30% of global emissions). In June 2022, NICOS and ACOM also completed the conversion of their Japan-based contracted electricity to renewable energy and completed the conversion of its Japan-based contracted electricity to renewable energy for all of MUFG's Japan-based consolidated subsidiaries.
- Participation in initiatives and strengthening the system to support the realization of carbon neutrality**
 - Appointed as Chair of the Financing & Engagement Subcommittee of the Net- Zero Banking Alliance (NZBA), which is responsible for developing a framework for transition finance.
 - Through discussions at the initiatives, we are gathering a wide range of information on global trends and the movements of global financial institutions to strengthen MUFG's initiatives.
 - We have built a system led by the Carbon Neutral Project Team on a group and global basis to discuss and make decision through a steering committee in which the CEO and other key management members participate.

5. Decarbonization through Responsible Investment

- Positioning climate change as a significant ESG issue and promoting engagement with investees.
- In November 2021, we joined the Net Zero Asset Managers initiative (NZAM) to accelerate our efforts. Set interim targets for 2030 by October 2022.

6. Other Efforts

- Krungsri announced their Carbon Neutrality Vision (Krungsri has committed to decarbonization of own emissions by 2030 and decarbonization of financial services by 2050.)
- Revision of the MUFG Environmental and Social Policy Framework. Tightened the Policy Framework, including prohibition of financing to new thermal coal mining projects for power generation.

● Enhancement of system for promoting sustainable business

- By bringing together MUFG's expertise in sustainability both in Japan and overseas, the Sustainable Business Division was established in July 2021 to support the sustainable growth of customers by providing various types of information and solutions from the standpoint of solving environmental and social issues.
- MUFG aims to support customer efforts to transform business models as well as the climate transition of whole industries toward carbon neutrality. To this end, we provide solutions designed to assist customers in their pursuit of transition and innovation aimed at promoting decarbonization. In the aspect of financing, we constantly endeavor to upgrade our sustainable financial products and services to support customers' decarbonization efforts.
- The Energy Transformation Strategy Project Team (EX Strategy PT) was established to examine how the entire financial sector can contribute to the energy transformation of our customers. Monthly meetings are held with about 300 employees from sales divisions to engage in dialog with customers, industry associations, and government agencies to develop strategies.
- We have built a system to consolidate useful information and business opportunities through the Global ESG Conference, held with ESG promotion officers located in Europe, the Americas, and Asia.

● Engagement activities based on the needs of customers

- Through the EX Strategy PT, we promote engagement based on the issues and needs of each customer.
- Engagement activities are conducted with approximately 550 Japanese and non-Japanese customers.

● Development and provision of decarbonization solutions based on the needs of customers

- This includes support for visualizing GHG emissions, support for strategy formulation through TCFD consulting services, support for investments and loans through financing, and the deployment of overseas carbon credits to Japanese companies.

● Risks and opportunities related to climate change

- As for risks related to climate change, based on TCFD recommendations, we have expanded the classification of risks, organized cases of transition risks and physical risks, and expanded disclosure.

[Examples of Transition and Physical Risks]

Risk categories	Examples of transition risk	Examples of physical risk	Time frame ^(note)
Credit risk	<ul style="list-style-type: none"> Our corporate clients' business activities and financial positions may be negatively affected if they cannot deal with government policies, regulatory requirements, customer requests or evolving trends in technological development. 	<ul style="list-style-type: none"> Extreme weather may cause direct damage to assets held by our corporate clients and/or have a negative spillover effect on their business activities and financial positions by indirectly impacting their supply chains. 	Short-to long-term
Market risk	<ul style="list-style-type: none"> The transition to a decarbonized society may negatively impact certain business sectors, making the value of relevant securities held by MUFG and/or financial instruments deriving from them highly volatile. 	<ul style="list-style-type: none"> The impact of extreme weather may induce market turmoil and make the value of securities held by MUFG highly volatile. The value of securities held by MUFG may become volatile due to changes in market participants' medium- to long-term outlook on the impact of extreme weather and their expectations regarding countermeasures against the phenomenon. 	Short-to long-term
Liquidity risk	<ul style="list-style-type: none"> If its credit ratings deteriorate due to such factors as delays in its response to transition risks, MUFG may face limitations on methods for funding from the market and thus growth in risks associated with fundraising. 	<ul style="list-style-type: none"> Corporate clients suffering damage from extreme weather may choose to withdraw their deposits or utilize commitment lines to secure funds for reconstruction, leading to a growing volume of cash outflows from MUFG. 	Short-to long-term
Operational risk	<ul style="list-style-type: none"> Spending on capital investment may grow due to the need for measures aimed at reducing CO₂ emissions and enhancing business continuity capabilities. 	<ul style="list-style-type: none"> Extreme weather may cause damage to MUFG's headquarters, branches and/or data centers and lead to the disruption of their operations. 	Short-to long-term
Reputation risk	<ul style="list-style-type: none"> If MUFG's plans and efforts to realize carbon neutrality are deemed inappropriate or insufficient by external stakeholders, it may suffer from reputational damage. MUFG may suffer from reputational damage and/or deterioration in its status as an employer due to the continuation of relationships with business partners who doesn't give enough consideration to environmental concerns or delays in its transition to decarbonization. 	<ul style="list-style-type: none"> If MUFG's efforts to support customers and communities affected by extreme weather are deemed insufficient, it may suffer from reputational damage or a resulting disruption of operations. 	Short-to long-term
Strategic risk	<ul style="list-style-type: none"> If MUFG fails to live up to its public commitment to support the transition to a decarbonized society, its capabilities for strategic execution may be negatively affected by a deterioration in its reputation. 	<ul style="list-style-type: none"> MUFG may fail to meet the goals of its strategies and plans if it fails to properly factor in the direct impact of extreme weather in the course of long-term management planning. 	Medium-to long-term

(note) Short-term: less than one year; medium-term: one to five years; long-term: more than five years

- We are promoting sustainable finance as an opportunity related to climate change. The Group has set a total of 35 trillion yen (of which 18 trillion yen is for the environmental sector) from FY2019 to FY2030, and has achieved a total of 14.5 trillion yen in sustainable financing (of which 5.4 trillion yen was for the environmental sector) in FY2021.

• Reinforcement of scenario analysis

[Transition risk]

In addition to current three sectors (energy, utilities, and automotive), steel, air and maritime transportation sectors were added to the analysis target. Analyses were conducted for NGFS^(note) scenarios as well as for International Energy Agency (IEA) scenarios.

Scenario	• Various scenarios, including the sustainable development scenario (the [less than] 2°C scenario) of the IEA and the 1.5°C scenario that the NGFS has released
Analytical method	• An integrated approach is adopted to assess the impact by combining the bottom-up approach at the individual company level and the top-down approach at the sector level. Using this approach, the impact on credit ratings in each scenario is analyzed along with the effect on the overall financial impact of the sector's credit portfolio.
Target sector	• Energy, utilities, automotive, <u>steel, air and maritime transportation sectors</u>
Target period	• Until 2050 using <u>the end of March 2022</u> as the standard
Result of analysis	• Single-year basis: <u>1.5 billion yen to 28.5 billion yen</u> (Last time result: 1.5 billion yen to 23 billion yen)

(note) Network for Greening the Financial System

[Physical risk]

Analyses are conducted for floods that are notable for their frequency of occurrence and damage.

Scenario	• RCP 2.6 (the 2°C scenario) and 8.5 (4°C scenario) published by the Intergovernmental Panel on Climate Change (IPCC)
Analytical method	<ul style="list-style-type: none"> • Estimated damage in the event of a flood is analyzed, and an approach to measure its impact on the overall credit portfolio using the change in default probability that the occurrence of floods would have on the credit portfolio is adopted. • In the calculation of financial impact, the period of the suspension of the business of the borrower and the loss of assets, among other aspects, are reflected.
Target of analysis	• Flood
Target period	• <u>Until 2100</u> using the <u>end of March 2022</u> as the standard (Last time period: Until 2050 using the end of March 2021 as the standard)
Result of analysis	• Cumulative total: Approximately <u>115.5 billion yen</u> (Last time result: Approximately 38 billion yen)

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

- Describe the organization's processes for identifying and assessing climate-related risks.
- Describe the organization's processes for managing climate-related risks.
- Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

• Approach to risk management for responding to climate change

- Recognizing climate change-related risks as one of the most important risk categories, they are discussed by

the Credit & Investment Management Committee, Credit Committee, and Risk Management Committee under the Executive Committee. The contents of the discussions held by the Credit & Investment Management Committee and the Risk Management Committee are discussed by the Risk Committee, which consists mainly of outside directors, and then reported to the Board of Directors.

- Reflection in the Risk Appetite Statement

- From FY 2021, climate change-related risks have been added to the Risk Appetite Statement.

- Reflection in the top risk management

- Climate change-related risks are positioned as one of the Top Risks.

- A management framework concerning risks related to climate change is constructed on a Group and global basis

- To consider a management framework for supervising countermeasures against climate change risks, a project team is established with the Group Chief Risk Officer (CRO) as the lead and with participation of the CROs from the holding company, the Bank, Trust Bank and Securities, as well as regional CROs of the holding company and Bank. Risk management is strengthened by tracking and sharing regulatory trends and establishing risk management frameworks on a Group and global basis.

- Environmental and social considerations concerning finance have been practiced based on the MUFG Environmental and Social Policy Framework

- The policy became stricter for the palm oil and mining (coal) sectors, which are the sectors related to climate change, with revisions made for the oil and gas sector (April 2022).

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

- Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
- Disclose Scope1, Scope2 and, if appropriate, Scope3 greenhouse gas (GHG) emissions and the related risks.
- Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

- Targets for reducing GHG emissions from the financed portfolio (MUFG's Scope 3 emissions)

- Set and disclosed interim 2030 targets for power and oil & gas sectors (April 2022)
 - Power sector: 156-192gCO₂e/kWh (2030) 349gCO₂e/kWh (achievement in 2019)
 - Oil & gas sector: 15%-28% less than 2019 level (2030) 83MtCO₂e (achievement in 2019)

- Net Zero GHG Emissions from Own Operations (Scope1,2)

- Aggregation and disclosure of MUFG's GHG Emissions (preliminary figures) on a Group and global basis for FY2021 Total emission of Scope 1 and Scope 2 in FY2021 (preliminary figures) was 249,000 million tCO₂e.
 - Completed the conversion of contracted electricity to renewable energy for all of MUFG's Japan-based consolidated subsidiaries by June 2022.

- Sustainable finance
 - The target amount of sustainable finance, which had been set at 20 trillion yen (of which 8 trillion yen is for the environmental sector) for the period from FY2019 to FY2030, was revised upward to 35 trillion yen (of which 18 trillion yen is for the environmental sector) (April 2021). Cumulative results for FY2021 totaled 14.5 trillion yen (of which 5.4 trillion yen was for the environmental sector).
- Target for reducing CO₂ emissions through renewable energy project financing
 - MUFG set a cumulative CO₂ reduction target of 70 million tCO₂ from FY2019 to FY2030 and disclosed its progress (May 2021). The achievement for FY2021 was 26.83 million tCO₂.
- Carbon-related assets (credit amounts)
 - In addition to the previously disclosed energy and utilities sectors, the breakdown of other carbon-related assets (transportation, materials and buildings, agriculture, food and forest products) following the revision of the TCFD recommendations in October 2021 has been disclosed.
- Credits amounts related to coal-fired power generation (project finance)
 - The loan balance reduction target to achieve a 50% reduction from FY 2019 in FY 2030 and zero by around FY 2040 is set and disclosed (October 2020). Project financing for FY 2021 was \$2.955 billion^(note).
(note) Project financing for FY 2019 was \$3.580 billion.
- Credits amounts related to coal-fired power generation (corporate finance)
 - Set and disclosed a target for reducing the outstanding balance to zero by FY 2040 (April 2022). Corporate financing at the end of FY 2021 was approximately 90 billion yen.

Governance

MUFG's Governance for Countering Climate Change -Board Oversight of Climate Change Initiatives-

MUFG's Governance Structure for Countering Climate Change

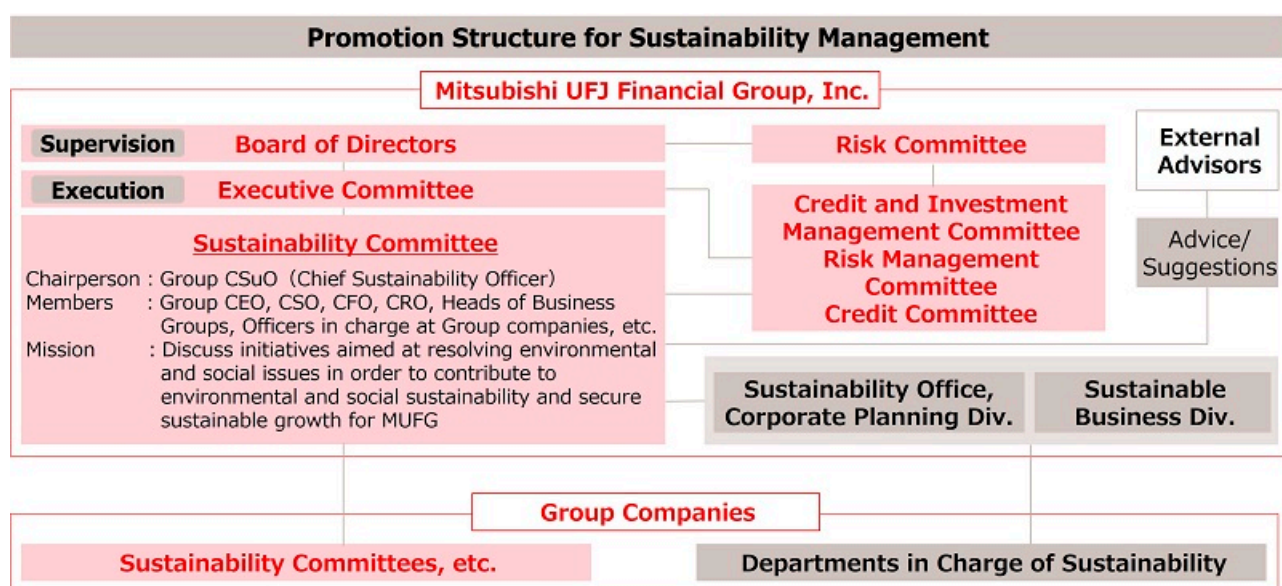
At MUFG, the Sustainability Committee, which operates under the Executive Committee, is charged with periodically deliberating policies on and determining the status of the Group's response to opportunities and risks arising from climate change and other environmental and social concerns.

MUFG has positioned climate change-related risk as one of the Top Risks that it must pay close attention to. Accordingly, these risks are discussed by the Credit & Investment Management Committee, the Credit Committee and the Risk Management Committee, all of which are under the direct supervision of the Executive Committee.

Conclusions reached by the above committees are reported to the Executive Committee—which is tasked with deliberating and making decisions on important matters regarding business execution—and, ultimately, reported to and discussed by the Board of Directors. In addition, matters discussed by the Credit & Investment Management Committee and the Risk Management Committee are also examined by the Risk Committee, which mainly consists of outside directors, and then reported to the Board of Directors. In these ways, the Board of Directors exercises supervision over MUFG's climate change-related initiatives.

Specifically, the Board of Directors handles issues requiring a groupwide perspective and, to this end, identifies important themes deserving intensive discussion, thereby managing these issues based on a PDCA cycle in accordance with an annual schedule.

Also, sustainability management is considered an important theme. The Board of Directors actively addresses matters related to this theme through dedicated sessions in addition to deliberations at regular Board meetings.



Installation of Chief Sustainability Officer

MUFG installed the Chief Sustainability Officer (CSuO) to strengthen our sustainability initiatives and to clarify responsibilities (May 2020).

Engagement and Utilize of External Advisors in the Environment and Social Fields

Since 2019, we have engaged external experts in the environmental and social fields as permanent external advisors. Opinions were exchanged between the experts and the members of the Board of Directors, allowing us to use their broad knowledge of ESG in our sustainability initiatives.

Rintaro Tamaki	President, Japan Center for International Finance
Junko Edahiro	Professor, Graduate School of Leadership and Innovation, Shizenkan University / President, Institute for Studies in Happiness, Economy and Society / Founder and President, e's Inc.

Implementation of advisor opinion exchange meeting (December 2021)

At the opinion exchange meeting held in December 2021, the Group CEO, Bank President, trust and securities companies Presidents, Group CSuO, and other relevant members participated in the meeting. They exchanged views on the measures required of financial institutions such as global trends in response to climate change, which is one of the most important issues, as well as discussions on Japanese policies, transition finance, and carbon pricing. In addition, discussions were held to exchange opinions in a wide range of fields related to sustainability, including discussions on the necessity of strengthening responses to natural capital and biodiversity conservation, and the importance of further promotion of human rights, and inclusion & diversity.

Study Sessions for Management

In order to invigorate internal discussions on sustainability, we invited experts in various fields to hold study sessions. In study sessions, the management team actively exchanges opinions with these experts. For information on study sessions for senior management held in FY2021, please refer to [“Study Sessions for Senior Management” in Corporate Governance](#) section.

Committees Related to Climate Change and Items Discussed and Reported

Committee		Main Items Discussed by and Reported to the Board of Directors Related to Climate Change
Supervision	Board of Directors	<ul style="list-style-type: none"> • Release of the MUFG Carbon Neutrality Declaration • Progress related to the MUFG Carbon Neutrality Declaration <ul style="list-style-type: none"> ▸ Engagement with customers, sustainable finance, setting of interim targets for financed portfolio, and reduction of in-house GHG emissions • Status of activities in external initiatives (such as NZBA) • Revision of the MUFG Environmental and Social Policy Framework • Assessment by ESG rating agencies
	Risk Committee	<ul style="list-style-type: none"> • Recommendations for Board of Directors resolutions and reported items
	Compensation Committee	<ul style="list-style-type: none"> • Revision of the executive compensation system (inclusion of ESG-related items into performance evaluation items)
	Audit Committee	<ul style="list-style-type: none"> • Monitors the status of ESG compliance
Execution	Executive Committee	<ul style="list-style-type: none"> • Release of the MUFG Carbon Neutrality Declaration • Progress related to the MUFG Carbon Neutrality Declaration • Revision of the MUFG Environmental and Social Policy Framework • Status of MUFG's sustainability management initiatives and address for future (Report on matters to be deliberated by the Sustainability Committee)
	Credit & Investment Management	<ul style="list-style-type: none"> • Recognition of current conditions and issues • Direction of the management system for climate change-related risks
	Risk Management Committee	<ul style="list-style-type: none"> • Monitoring of climate change-related risks, using enterprise risk management approach
	Credit Committee	<ul style="list-style-type: none"> • Recognition of current conditions and issues related to climate change • Report on the status and outlook of climate change-related risk management efforts • Revision of credit policies related to climate change
	Sustainability Committee	<ul style="list-style-type: none"> • Progress related to the MUFG Carbon Neutrality Declaration <ul style="list-style-type: none"> ▸ Engagement with customers, sustainable finance, setting of interim targets for financed portfolio, and reduction of in-house GHG emissions • Status of activities in external initiatives (such as NZBA) • Revision of the MUFG Environmental and Social Policy Framework • Assessment by ESG rating agencies

A Heightened Metric for ESG-Related External Ratings is Installed as an Evaluation Index of the Executive Compensation System

MUFG has revised its executive compensation system to achieve the medium-term business plan and implement sustainability management, and has newly installed a heightened metric for ESG-related external ratings as a medium- to long-term performance-linked indicator for stock-based compensation.

The system is designed to reflect the degree of improvement found through the external ratings granted by five major ESG rating agencies^(note) for executive compensation. The intention is to align MUFG's corporate activities with the interests of its diverse stakeholders.

(note) MSCI, FTSE Russell, Sustainalytics, S&P Dow Jones, CDP

Type of compensation	Linkage with performance	Performance-based compensation range	Standards for payment		Time of payment	Payment method	Proportion of Group CEO's compensation
Annual base salary	Fixed	—	• Paid based on positions, etc. • Includes Director Allowance, Committee and Chair Allowance, Housing Allowance, Overseas Representative Allowance, etc.		Monthly	Cash	1
Stock compensation	Non-performance-based	—	Base amount by position		At the time of retirement of executives		
	Medium- to long-term performance-based	0-150%	Base amount by position ×	Performance factor (medium- to long-term achievement evaluation)	<50%>	At the end of the MTBP	50% in shares 50% in cash Note: Subject to malus (confiscation) and clawback (restitution claim)
				Target attainment rate of indices below in MTBP			
				(1) Consolidated ROE	30%		
				(2) Consolidated expenses reduction amount (excluding performance-linked expense)	15%		
Cash bonuses	Short-term performance-based	0-150%	Base amount by position ×	(3) Ratings granted by ESG rating agencies ^②	5%	Annually	Cash
				Performance factor (competitor comparison evaluation) ^③	<50%>		
				Comparison of year-on-year growth rate of indices below with competitors			
				(1) Consolidated net operating profits	25%		
				(2) Profits attributable to owners of parent	25%		
			Base amount by position ×	Performance factor (quantitative evaluation factor applied to the Group CEO)	<60%>		
				Rate of year-on-year change and target attainment rate of indices below			
				(1) Consolidated net operating profits	20%		
				(2) Profits attributable to owners of parent	10%		
			Base amount by position ×	(3) Consolidated ROE	20%		
				(4) Consolidated expense amount	10%		
				Status of individual execution of duties (qualitative evaluation factor applied to Group CEO)			
			Base amount by position ×	• Improvement in customer-segment profitability	<40%>		
				• Risks handling			
				• Enhancement of efforts on ESG, evolution of sustainability management			
			Base amount by position ×	• TSR, etc.	<40%>		

- To incentivize efforts to improve MUFG's earnings power, capital efficiency and profit structure, each of which is considered a management issue requiring the utmost priority, the degree of achievement vis-à-vis target levels stipulated in the Medium-Term Business Plan (MTBP) regarding consolidated ROE and consolidated expense reduction (excluding performance-linked expense) is determined on an absolute evaluation basis.
- In addition to incentivizing recipients to advance sustainability management, the degree of improvement in external ratings granted by the five major ESG rating agencies (MSCI, FTSE Russell, Sustainalytics, S&P Dow Jones and CDP) is determined on an absolute evaluation basis, with the aim of objectively assessing the recipient's contribution to MUFG's initiatives to address ESG issues in a variety of fields.
- Relative comparisons with competitors are made with Mizuho Financial Group and Sumitomo Mitsui Financial Group.
- ESG-related assessment items subject to qualitative evaluation include contribution to the resolution of environmental and social concerns, the promotion of inclusion & diversity and the strengthening and upgrading of MUFG's governance structure.

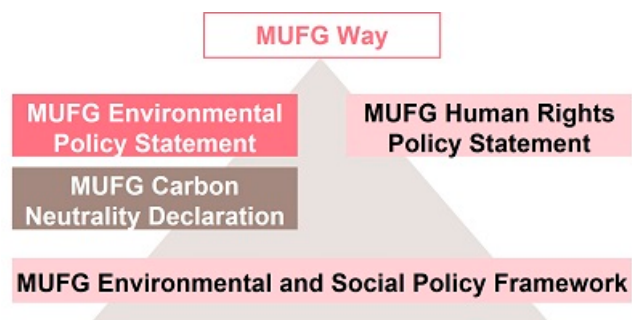
Strategy

The TCFD recommendations propose that climate change-related risks and opportunities be disclosed upon grasping impacts on business strategy and finances.

MUFG Environmental Policy Statement

Under the MUFG Way, which guides all of our activities, MUFG has established the MUFG Environmental Policy Statement as a specific action guideline for practicing environmental considerations.

The MUFG Environmental Policy Statement has been the matter to be determined in the Board of Directors since May 2021. The Policy Statement clearly states the company's commitment to proactively disclose information on the environment, including climate change.



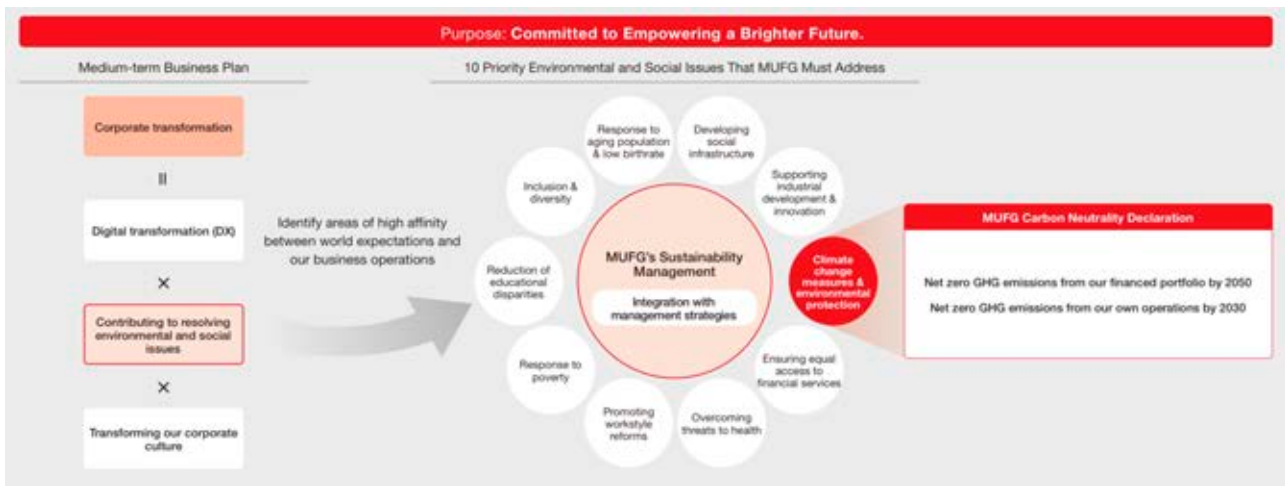
MUFG Carbon Neutrality Declaration

In April 2021, we defined our purpose as being “Committed to empowering a brighter future.” Since then, we have been implementing our medium-term business plan, led by a heightened commitment to helping resolve environmental and social issues.

To better contribute to building a sustainable environment and society, MUFG has selected 10 priority environmental and social issues with an eye on better fulfilling society's expectations in areas where MUFG's strengths can be applied. One of the priorities we especially focus on is climate change measures and environmental protection.

We have always been proactive in addressing climate change and environmental protection issues. It included formulating the MUFG Environmental and Social Policy Framework for assessing and managing the risks associated with our business activities as well as setting sustainable finance targets. During this period, the movement to combat climate change gained tremendous global momentum, as can be seen, for example, by the Japanese government's Carbon Neutrality Declaration. MUFG has taken another step forward by announcing the MUFG Carbon Neutrality Declaration in May 2021. Guided by this declaration, MUFG is implementing group-wide environmental measures globally, aiming to achieve net zero GHG emissions from the financed portfolio by 2050 and net zero GHG emissions from our own operations by 2030.

In the MUFG Progress Report issued in April 2022, we reported on the progress of MUFG's carbon neutrality initiatives and the measures that we are taking. In addition to the results and targets, we also reported on our approach to achieving them and our thought process on which they are based. Through sharing the concept of MUFG's initiatives in detail, we hope to work together with wide range of stakeholders to achieve a sustainable environment and society.



Progress Since the Carbon Neutrality Declaration

Net Zero GHG Emissions from the Financed Portfolio

2030 Interim Targets

MUFG joined NZBA in June 2021 after announcing the Carbon Neutrality Declaration. NZBA members share a common goal: net zero financed portfolios by 2050. They are also required to set interim targets for 2030 or earlier using a science-based approach.

We are committed to helping achieve the goals of the Paris Agreement by achieving carbon neutrality by 2050, and at the same time, supporting a smooth transition to a decarbonized society through our financial services, and proactively contributing to creating a sustainable society by fostering a virtuous cycle between the environment and the economy. Today, we have set interim targets for 2030, aligned with the Paris Agreement. We recognize that the processes for achieving these targets vary depending on the characteristics of each region and business. We are also aware that our business is greatly affected by geopolitical risks and other factors, so we will share issues that we find through engagement (dialogue) with customers and support them to help resolve these issues.

Innovations which are still in the conceptual stage is another indispensable element for the world to achieve decarbonization. We believe that there is a gap between the real world and the goal that is yet to be materialized. Therefore, our aspiration is to further contribute to the changes where the world advances more towards decarbonization by developing research on new technologies for implementation.

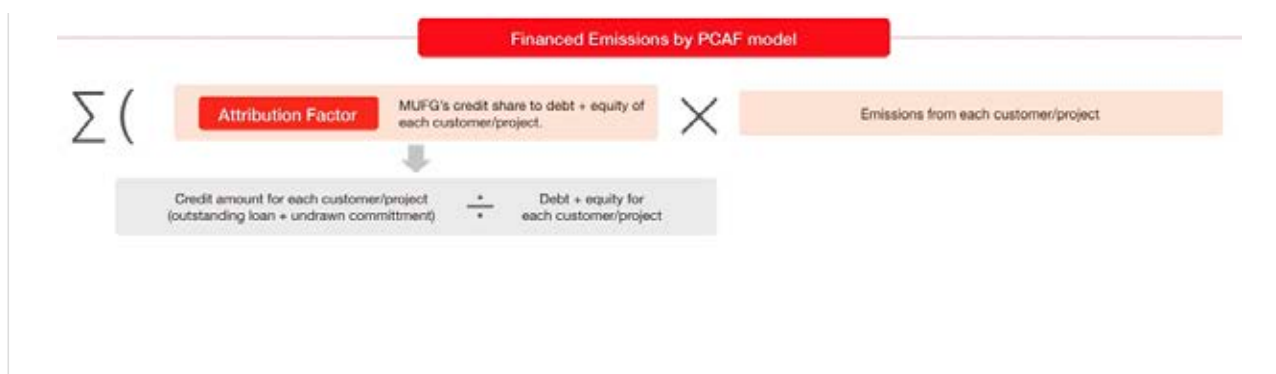
To reflect our stance mentioned above, we have set ranged interim targets in order to work together with our stakeholders to achieve net zero GHG emissions by 2050.

Net zero GHG Emissions from the Financed Portfolio

Net zero GHG emissions from the financed portfolio means decarbonizing the sector portfolio by reducing the GHG (Scope3) generated through financing customers and projects.

GHG emissions from the financed portfolio are defined as “financed emissions”. This is the amount of GHG emissions attributed to each financial institution through financing each customer or project.

MUFG uses the calculation model recommended by the PCAF. When calculating MUFG’s attribution factor, while the PCAF guidelines recommend using outstanding amounts of loans and investments, MUFG uses outstanding credit amount which includes the undrawn amount of commitment in order to reflect our credit stance as a financial institution more accurately.



Four Approaches to Setting the Interim Target

We have adopted the following four approaches to setting the interim target.

Going forward, we will reflect the changes in the IEA (International Energy Agency) scenario and various guidelines, as well as the increase in the quality of data disclosed by our customers, as appropriate.

• Science-based

Following the NZBA Guideline, MUFG will ensure that the interim target for 2030 is scientifically “well below 2°C, preferably to 1.5°C,” as agreed in the Paris Agreement.

As a benchmark for 1.5°C, we will refer to scientific scenarios published by IEA and others.

• Data quality

We use the best available data to set targets. However, there are limits to the amount and quality of data currently available, so we will use the PCAF data quality score to check the quality of emissions data disclosed by MUFG.

When data is updated or new data is disclosed, improvements in accuracy and quality will be reflected. MUFG will also contribute to improving data accuracy by being highly transparent when disclosing information.

• Highly standardized and transparent

MUFG believes that targets should be set from a global perspective using widely accepted and transparent methods. We participate in various initiatives, collecting insights and reflecting them in the targets we set. We will proceed with target setting, incorporating guidelines and rules developed by NZBA, PCAF, PACTA, and SBTi etc., as well as the outcomes of the global working groups which we participate in.

• Sector-specific

Pathways and the methods to achieve carbon neutrality vary by sector, so for each sector we will take into consideration the characteristics of the business, the guidelines and the targets set by each customer. By taking this approach, MUFG will identify issues in each sector and support customers' efforts for achieving carbon neutrality.

Interim Target-setting Process

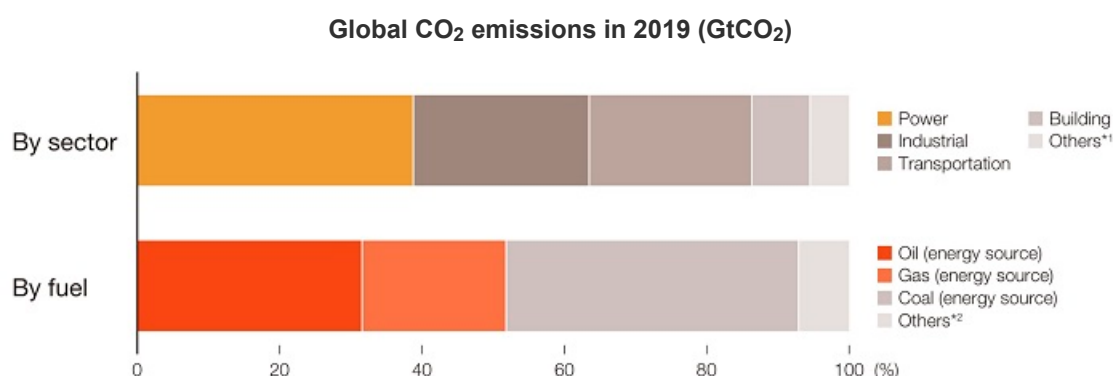
MUFG set current interim targets in accordance with the following process: (1) Identifying priority sectors, (2) Sector analysis, (3) Determine methodologies and measure GHG emissions, and (4) Set interim targets.

Identifying Priority Sectors

The NZBA Guidelines define nine carbon-intensive sectors that should be prioritized when setting targets: agriculture; aluminium; cement; coal; commercial & residential real estate; iron & steel; oil & gas; power

generation; and transport. Among these sectors, MUFG especially puts priority on the power and the oil & gas sectors for the following reasons.

- (1) CO₂ emissions from the power sector account for approximately 40% of global CO₂ emissions. The power sector is expected to take a leading role in promoting decarbonization across industries through electrification.
- (2) Oil & gas are widely consumed by industry and households, accounting for approximately 50% of global CO₂ emissions from fuels and therefore important for reducing GHG emissions from fossil fuels.
- (3) Both sectors have relatively large financed emissions in the MUFG portfolio.
- (4) Both sectors have relatively well-developed data and methodologies.



Source: IEA World Energy Outlook 2021

1. Agriculture, forestry, fisheries, etc.

2. CO₂ emissions from sources other than fossil fuel combustion (industrial processes, waste, etc.)

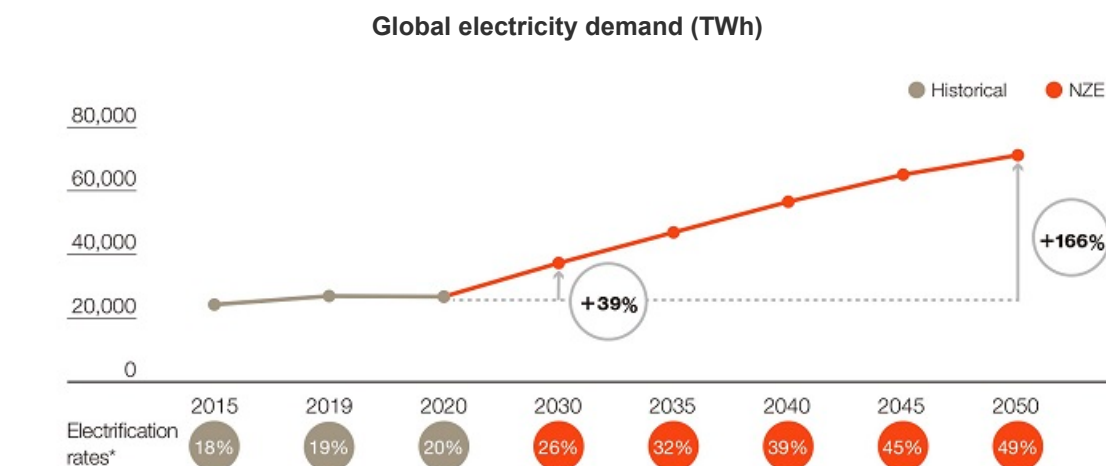
Sector Analysis

The Power Sector

In the transition stage to a decarbonized society, the demand for power is expected to increase due to economic growth in developing countries and the electrification of industry. So, the power sector will need to shift to renewable energy and low-carbon fuels, while ensuring a stable supply of energy ^(note).

The policies and initiatives of each country are important because the business model of this sector is local and therefore has particularly strong regional characteristics.

(note) Electricity demand under the IEA 1.5°C scenario (IEA NZE scenario in which the increase in the global surface temperature rise is limited to 1.5°C with a 50% or greater probability of success) is estimated to grow by 39% by 2030 and 166% by 2050 (compared with 2020).



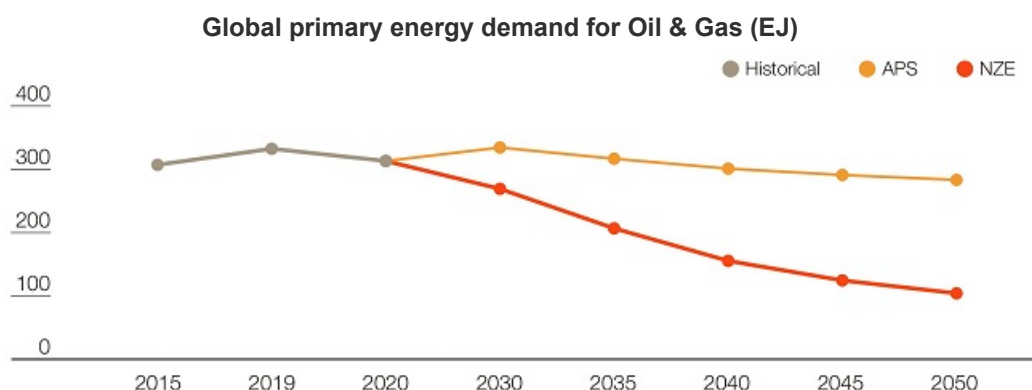
Source: IEA World Energy Outlook 2021

* The ratios of electricity to final energy consumption

The Oil & Gas Sector

For decarbonization, GHG emission reductions can be done through electrification of production processes, CCUS, etc. (i.e. Scope 1, 2 of the upstream business). On the other hand, a large amount of this sector's GHG emissions is due to cross-industrial consumption (Scope 3), indicating that decarbonization in the oil & gas sector cannot be achieved without industries and households transitioning away from fossil fuels.

The IEA figures suggest that currently there is a large gap between the demand (IEA APS scenario that is based on the commitments announced by each country) and the 1.5°C scenario. It is important to promote decarbonization in the demand sectors as well in order to close the gap between these two scenarios.



Source: IEA World Energy Outlook 2021

Target metric, Method and Setting Interim Target

The Power Sector

• Setting Interim Target

Method for calculating emission intensity for the power sector	
$\sum \left(\text{GHG emissions intensity of each customer/project (gCO}_2\text{e/kWh)} \times \frac{\text{Loan amount to each customer/project}}{\text{MUFG total loan amount to power sector}} \right)$	
Target scope	Value chain: Power generation businesses Emission scope: Scope 1
Asset scope	Loan amounts (including undrawn-committed amounts)* As of December 31, 2019 *More than 85% of the exposure is included in the calculation.
Target metric	Emission intensity (gCO ₂ e/kwh)
PCAF score	Average PCAF score 2.4 (score 1-2: 54%, score 3: 46%)
Data source	Information disclosed by each customer, CDP, Bloomberg, etc.

Following SBTi and PACTA, the value chain and emission scope which we cover is Scope1 of the power generation business, which accounts for the majority of GHG emissions in this sector.

The power sector is expected to take a leading role in driving cross-industry decarbonization. GHG emission intensity, a measure of emission efficiency, will be used as the metric because the power sector needs to support the increasing electricity demand while simultaneously moving ahead with clean energy conversion.

The average PCAF score for the target portfolio that is included in the calculation is 2.4. In addition to information disclosed by customers, we use data sources, including CDP and Bloomberg, etc. for GHG emission data. In cases where GHG emission data is not available, we use production data obtained from these data sources as

well as emission intensity information obtained from IEA database, etc. to make estimates. Customers who do not have GHG emission data or production data are excluded from the calculation, yet we manage to cover more than 85% of our credit portfolio for this sector.

Going forward, we will expand our target coverage and improve data quality reflected in our PCAF score in line with enhanced data availability.

• Interim Target



The interim target for 2030 is 156-192gCO₂e/kWh.

The power sector has a local business model with strong regional characteristics, and is expected to take a leading role in promoting each NDC with governments. We will achieve 192gCO₂e/kWh by supporting our customers to meet each country's NDCs, which are essential for achieving the Paris Agreement, and also by helping their initiatives for green, transition and innovation. 192gCO₂e/ kWh is a level well below the IEA 2°C scenario in 2030.

In addition to the above, we aim for 156gCO₂e/kWh, which is consistent with the IEA 1.5°C scenario in 2030, by making further contributions to the promotion of renewable energy, etc. as a leading company in sustainable finance.

The Oil & Gas Sector

• Setting Interim Target

Absolute GHG emissions calculation method in the Oil & Gas sector	
$\sum \left(\text{Attribution factor} \times \text{GHG emissions from each customer/project} \right)$ <p>Attribution factor: MUFG's credit share against debt + equity for each customer/project</p>	
Target scope	Value chain: Upstream production businesses (including integrated businesses heavily involved in upstream businesses) Emission scope: Scope 1, 2, 3
Asset scope	Loan amounts (including undrawn-committed amounts)* As of December 31, 2019 *More than 85% of the exposure is included in the calculation.
Target metric	Absolute GHG emissions (MtCO ₂ e)
PCAF score	Average PCAF score 2.6 (score 1-2: 44%, score 3: 56%)
Data source	Information disclosed by each customer, CDP, Bloomberg, etc.

According to PACTA, upstream businesses of fossil fuel sectors are important as they have significant impact on other segments down the value chain. Therefore MUFG focuses on the upstream of the value chain, which have the largest environmental impact. The emission scope which we look into covers not only Scope1 and Scope2 but also Scope3, from which the majority of GHG emissions from this sector is generated.

We have chosen to use absolute GHG emissions as the target metric to directly capture fossil fuel burns (Scope3) which are the main cause of GHG emissions.

The average PCAF score for the target portfolio that is included in the calculation is 2.6. In addition to information

disclosed by customers, we use data sources, including CDP and Bloomberg, etc. for GHG emission data. In cases where GHG emission data is not available, we use production data obtained from these data sources as well as emission intensity information obtained from IEA database, etc. to make estimates. Customers who do not have GHG emission data or production data are excluded from the scope of calculation, yet we manage to cover more than 85% of our credit portfolio for this sector.

Going forward, we will expand our target coverage and improve data quality reflected in our PCAF score in line with enhanced data availability.

• Interim Target



The interim target for 2030 is 15%-28% reduction from 2019.

We will achieve 15% reduction by engaging with our customers and supporting their efforts in reducing GHG emissions. 15% reduction is a level well below the IEA 2°C scenario in 2030.

We aim for 28% reduction which is consistent with the IEA 1.5°C scenario in 2030. However, to achieve this it is essential for both the oil & gas sector (supply-side) and the industries (demand-side) to simultaneously accelerate decarbonization. Therefore, we intend to achieve 28% reduction by making contribution to the world to further advance toward decarbonization.

What is the PCAF Data Quality Score (PCAF score)?

○ We score the quality of emission data by each customer/project according to the categories shown below, and aggregate the average score for the sector as a whole by weighted average of loan amount.

Quality	Category	Summary
Score 1	Disclosed information	• Verified emissions data of each customer/project
Score 2		• Unverified emissions data of each customer/project
Score 3	Estimated value (based on physical metrics)	• Estimation based on energy consumption data of each customer/project
Score 4		• Estimation based on production data of each customer/project
Score 5		• Estimation based on the sales of each customer/project and the sectorial emission benchmarks per sales
	Estimated value (based on financial metrics)	• Estimation based on loan balances of each customer/project and sectorial emission benchmarks per asset
		• Estimation based on loan balances of the each customer/project, sectorial emission benchmarks per revenue, and asset turnover ratio per sector

Source: created by MUFG based on The Global GHG Accounting & Reporting Standard for the Financial Industry

Aligning with NZBA Guidelines

We have set the interim targets for the power sector and oil & gas sector in line with the NZBA Guidelines. MUFG will continue to follow NZBA Guidelines by reporting annual progress for the targets, reviewing the targets within five years, and setting new interim targets for other carbon-intensive sectors.

Outline of the NZBA Guidelines		MUFG's action
Disclosure requirement	Set 2050 targets for alignment with the Paris Agreement	Announced target of net zero by 2050 in the MUFG Carbon Neutrality Declaration
	For carbon-intensive sectors, set interim targets for 2030 or earlier for several key sectors within 18 months of joining <small>*Agriculture; aluminum; cement; coal; commercial & residential real estate; iron & steel; oil & gas; power generation; and transport. (Banks may prioritize sub-sectors based on GHG emissions and financial exposure and/or data and methodology availability.)</small>	Disclosed interim targets for 2030 for the power and the oil & gas sectors
	Set interim targets for 2030 or earlier for the majority of carbon-intensive sectors within 36 months of joining	We will set targets for the sectors other than power and the oil & gas sectors going forward
Scenarios	Use of widely accepted science-based decarbonization scenarios	Refer to the scenarios published by the IEA
Data used	The target base-year shall be no more than two full reporting years prior to the setting of the target. (If there are issues, such as economic conditions or data quality, then data older than two years is acceptable. In that case, explanations will be required.)	Used 2019 data <small>*We use 2019 GHG emissions data as 2020 is impacted by Covid-19</small>
Asset scope	Loans (on balance sheet) Investment (on balance sheet) remains a recommendation	Included corporate finance and project finance <small>*Underwriting is not included. (consistent with NZBA guidelines, PCAF is still in the process of developing guidelines.) *Proprietary trading and loans from partner banks account for less than 5% of the total, so they are not considered material and are not included.</small>

Decarbonization through Financial Services

MUFG intends to be a financial institution that empowers a brighter future by supporting customers' decarbonization. We aim to start engagement (dialogues) with customers through the Energy Transformation Strategy Project Team and to support customers to become carbon neutral by developing and providing solutions based on the varied issues and needs of each customer.

Net Zero GHG from Own Operations

Initiatives for Net Zero GHG Emissions in Our Own Operations by 2030

MUFG aims to achieve net-zero GHG emissions^(note1) in our own operations by 2030. Since the Carbon Neutrality Declaration in May 2021, MUFG has reduced approximately 60% of domestic GHG emissions (which is approximately 30% of global GHG emissions).

In addition to our initiatives to reduce energy use through continued energy conservation, we will reduce our gasoline consumption by switching to electric vehicles (EVs) and promote the use of renewable energy sources for electricity to become net zero for GHG emissions by 2030. We will also work to establish and introduce raw green power^(note2) to directly contribute to an increase in renewable energy sources.

Overseas, while accumulating expertise from promoting domestic environmental initiatives and introducing renewable energy at our European business locations, we will accelerate implementing specific measures, taking into account the status of policies and systems to promote decarbonization in each country.

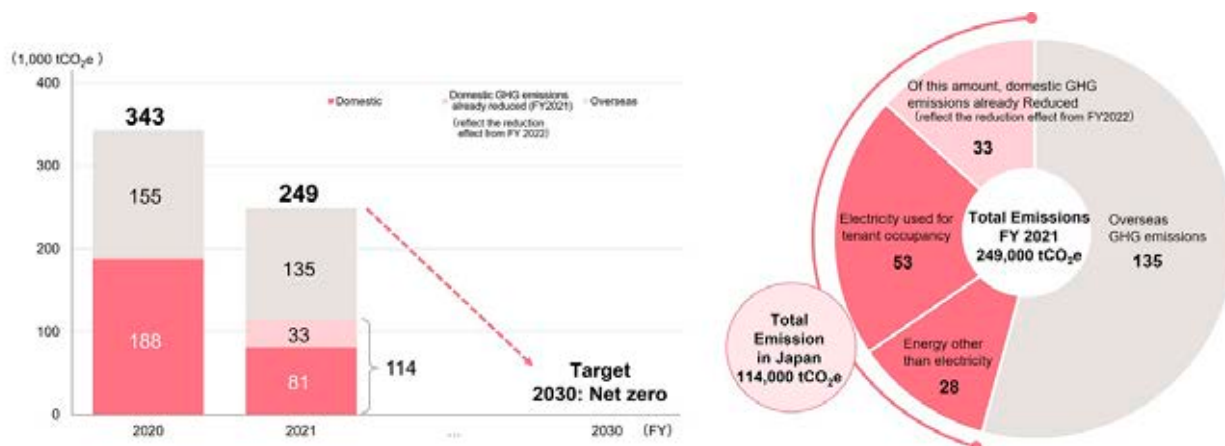
(note1) Scope 1 and Scope 2 in the GHG Protocol.

(note2) Green power, generated from renewable energy sources such as wind, solar, and biomass (biological resources), is sent directly from the power plant to the consumer. Customers can use green power directly as electricity for their own use, rather than "deemed" to do so.

GHG Emission Results

To achieve net-zero GHG emissions in our own operations by 2030, MUFG has measured and aggregated its own GHG emissions on a group and global basis since FY 2020.

In FY 2021, our own GHG emissions were approximately 249,000 tCO₂e (based on preliminary figures), which was a reduction of 94,000 tCO₂e (approximately 27%) from the previous year. In FY 2022, we have already reduced our domestic emissions by 33,000 tCO₂e, which is planned to be reflected in our FY 2022 emissions results.



By emissions type, direct GHG emissions (Scope 1) were 35,000 tCO₂e (14%) and indirect GHG emissions (Scope 2) were 214,000 tCO₂e (86%).

In FY 2021, the Bank obtained third-party verification for its own GHG emissions in Japan (non-consolidated basis). Going forward, we aim to obtain third-party verification for GHG emissions on the group and global basis.

[Unit : 1,000tCO₂e]

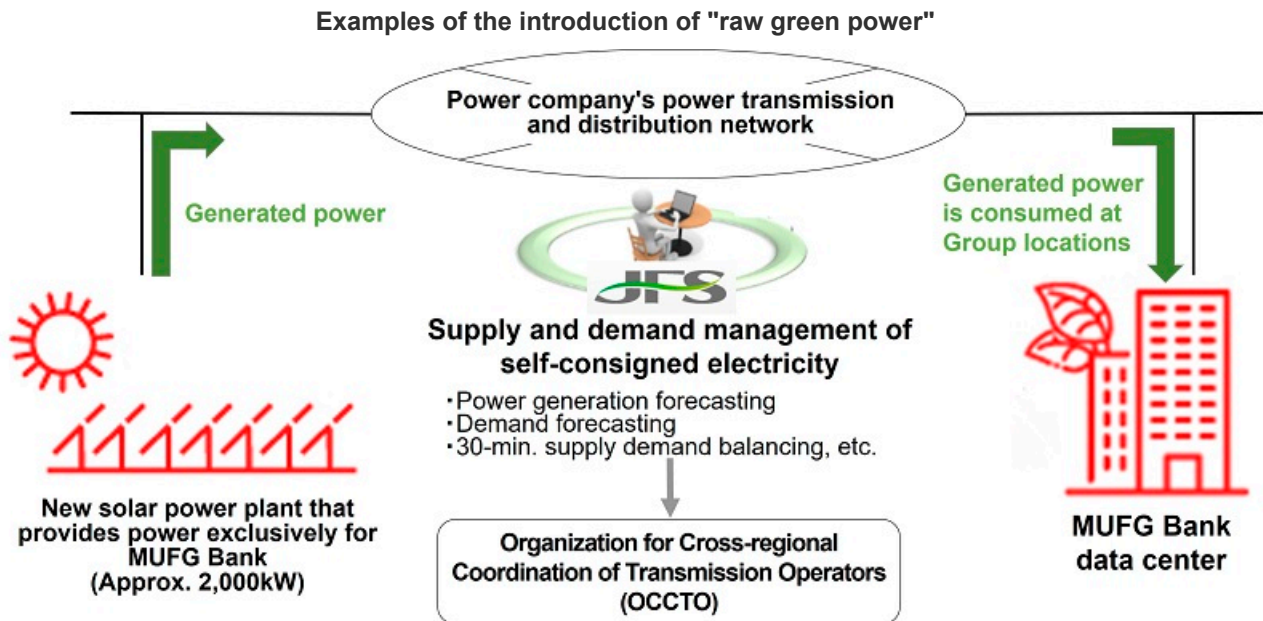
	FY2021			FY2020			Compared to FY2020		
	Total	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas
MUFG Total	249	114	135	343	188	155	▲94	▲74	▲20
Scope1	35	20	15	31	14	17	4	6	▲2
Gas/Heavy oil	27	17	10	24	10	14	3	7	▲4
Gasoline/Light oil	8	4	4	7	4	3	1	0	2
Scope2	214	93	121	312	174	138	▲98	▲81	▲17
Electricity	206	86	120	304	167	137	▲98	▲81	▲17
Steam/hot water, cold water	8	7	1	8	7	1	0	0	0

Switching to Renewable Electricity

By November 2021, the Bank, the Trust Bank, and the Securities completed switching to 100% renewable energy for their own domestic electricity contracts. Since the release of the MUFG Carbon Neutrality Declaration in May 2021, we have reduced domestic emissions by approximately 60% (approximately 30% of global emissions). In addition, we have also completed switching to renewable electricity at some sites in Europe and Asia. In June 2022, NICOS and ACOM also completed switching to 100% renewable electricity. As a result, we were able achieve 100% renewable electricity among all of MUFG's consolidated subsidiaries in Japan for their own contracted electricity, ahead of our initial schedule.

Contribution to the Increase of Renewable Energy Sources in Japan

MUFG has entered a long-term PPA contract to purchase electricity from solar power generation facilities established by other companies and implemented self-consignment, whereby MUFG installs its own solar power generation facilities and consumes the electricity produced. Through these efforts, we have introduced what is referred to as "raw green power" for a portion of the electricity used at our business locations and data centers. At the same time, MUFG itself is involved in the construction of new power generation facilities and purchases renewable power generated from these under long-term contracts, which allows MUFG to directly contribute to the increase in the number of renewable power sources, which can be extended to across Japan.

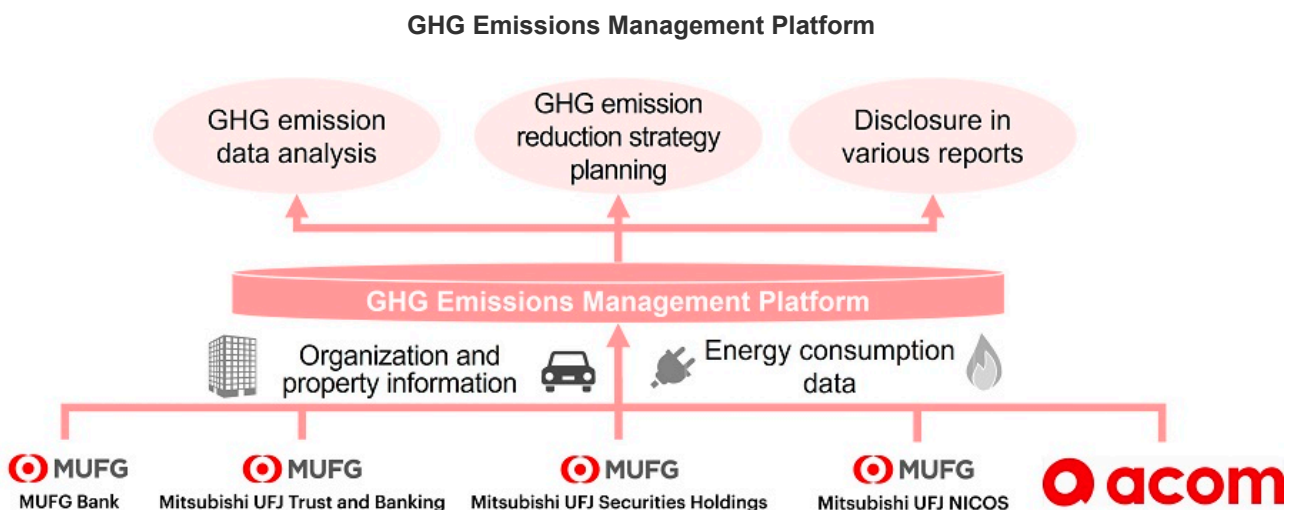


Switching to Electric Vehicles (EVs) for Company Cars

In Japan, we are aiming to switch to 100% EVs by FY 2030. For this, we have developed detailed plans that take into account the expiration of existing car lease contracts and the surrounding EV charging environment.

Introduction of a GHG Emissions Management Platform on a Group and Global Basis

We have implemented a GHG emissions management platform at approximately 2,400 of our consolidated subsidiaries in more than 50 countries and regions around the world. This will enable automated aggregation of GHG emissions and streamline business flows, as well as further refine data and enhance data analysis.



Initiatives of Partner Banks

In alignments with “MUFG Carbon Neutrality Declaration” and the Carbon Neutrality Declaration made by governments of Thailand and Indonesia, Krungsri and Bank Danamon, our Partner Banks in Asia, have enacted their own measures to achieve a sustainable environmental and social objectives in their respective countries.

Krungsri’s Carbon Neutrality Vision

In alignment with Thailand’s declaration at COP26 to achieve Carbon Neutrality by 2050, Krungsri, as the second commercial bank in Thailand, has announced its pledge to decarbonization as follows.

- Decarbonization of own emissions by 2030
- Decarbonization of financial services by 2050
- Phasing out exposure to coal-fired power plants within 2030
- Social and sustainable finance target of 50-100 billion baht^(note) by 2030

(note) Approx. 160~330 billion yen

Krungsri, through collaborative efforts with MUFG, has been instrumental in promoting and advancing ESG finance market development in Thailand. In 2021 (January to December), the Bank ranked number one on the ESG debenture league table, commanding the market share of 29 percent.

Bank Danamon’s Commitment to Sustainability

Bank Danamon recognizes the importance of incubating initiatives in realizing a sustainable environmental and social society, and is participating in Indonesia’s pledge for decarbonization. Furthermore, Bank Danamon will accelerate its contributions as the Indonesian Presidency leads the G20 of 2022.

- Strengthen Management’s Engagement.
 - Enhanced committee structure to be directly supervised by Management
- Sustainable Finance Portfolio^(note1) Target
 - Established an aspirational target to increase the Sustainable Finance portfolio to 25% in the next five years
- Advanced Disclosure among Indonesia Peers
 - Disclosure of carbon-related assets which aligns with MUFG’s TCFD report
 - Disclosed policies for Palm Oil sector such as requiring commitment to NDPE^(note2) and encouraging to obtain certification
- Contribute to MUFG’s target of achieving net zero GHG emissions on its own operations by 2030

(note1) Aligned with local regulations

(note2) NDPE: No Deforestation, No Peat and No Exploitation

Participation in Initiatives and Strengthening the System to Support the Realization of Carbon Neutrality

Contributing to Global Initiatives

MUFG has participated in initiatives to recognize our position from a global perspective and to reflect a highly-standardized and transparent methodologies when setting GHG emission targets for our financed portfolio. As a leading financial institution in Asia, we are committed to communicating our views.

GFANZ (Glasgow Financial Alliance for Net-Zero)

Through the GFANZ working groups, MUFG has been discussing net zero initiatives across financial sector as

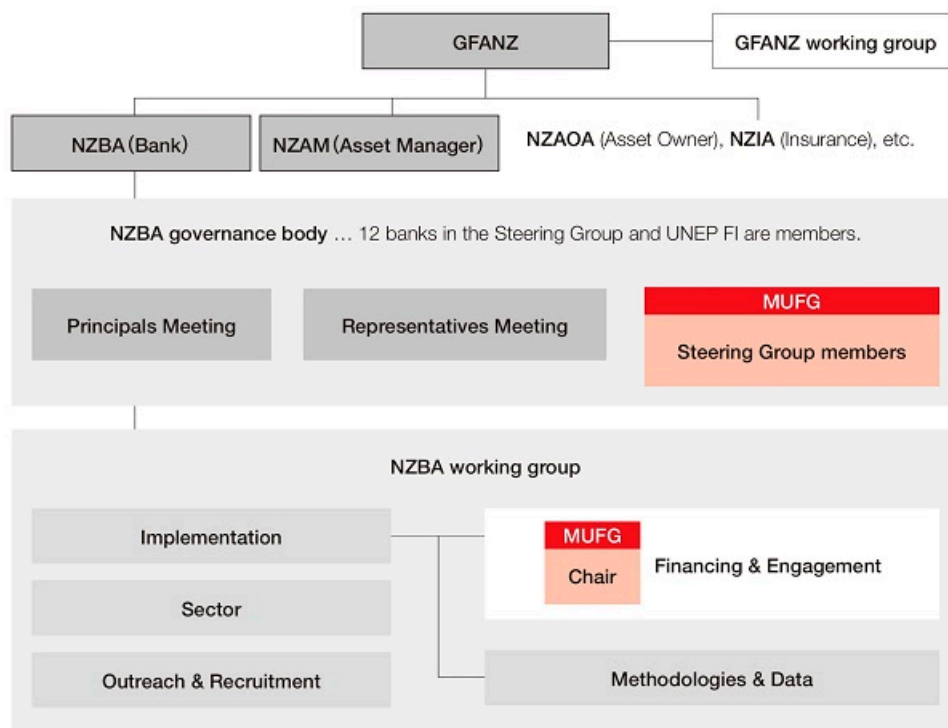
well as recommendations from the financial industry to other industries. GFANZ plans to use these discussions to make policy recommendations to the G20 and COP27.

Net-Zero Banking Alliance (NZBA)

In June 2021, we became the first Japanese bank to join the NZBA and have been contributing as an Asian representative in the Steering Group. In December 2021, we were appointed Chair of the Financing & Engagement working group. MUFG leads the development of a global framework for transition finance.

Net Zero Asset Managers initiative (NZAM)

An asset management company initiative to achieve net zero GHG emissions by 2050, in line with international efforts to limit the global temperature increase to 1.5°C. MUFG will set an interim target for 2030 by October 2022 for the proportion of assets under management consistent with achieving net zero GHG emissions by 2050.



Asia Transition Finance Study Group (ATFSG)

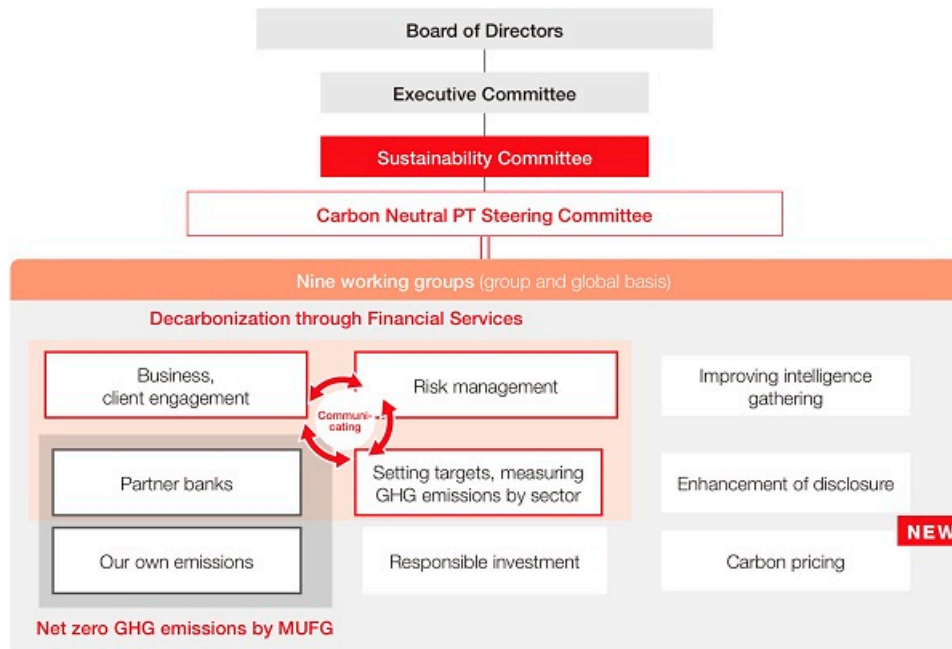
ATFSG was launched under the Asia Energy Transition Initiative (AETI) with a focus on major financial institutions active in ASEAN countries. Leading by MUFG, this study group is discussing the common principles and standards, etc. necessary to have a realistic and gradual energy transition in Asia.

Collaboration with the University of Tokyo – Launching the ETI-CGC

In November 2021, the University of Tokyo and 13 major domestic companies launched the Energy Transition Initiative – Center for Global Commons (ETI-CGC) as an initiative to help with decarbonization. We advance discussions of pathways to achieve carbon neutrality in Japan.

Carbon Neutral Project Team and Committee

MUFG has established project teams on a group and global basis to discuss and make decisions through a steering committee in which the CEO and other key management members participate. In addition, the Sustainability Committee discusses climate change measures and reports to the Executive Committee and the Board of Directors.



Committee	Members	Items Discussed and Reported
Sustainability Committee	Chairperson: Group CSuO Other members: Group C-Suite (CEO, CSO, CFO, CRO), the Bank President, Trust and Securities companies Presidents, and Heads of Business Group	<ul style="list-style-type: none"> Progress related to the MUFG Carbon Neutrality Declaration Engagement with customers, sustainable finance, setting of interim targets for investment and loan portfolio, and reduction of in-house GHG emissions Status of activities in external initiatives (such as NZBA) Revision of the MUFG Environmental and Social Policy Framework Assessments by ESG rating agencies
Steering Committee	Chair: Group CSuO Other members: Group C-Suite (CEO, CSO, CFO, CRO, CLO, CDO), the Bank President, Trust and Securities Presidents, and Heads of Business Group	<ul style="list-style-type: none"> Progress and policies in each area of Carbon Neutral Project Team Total of three Steering Committee meetings were held in quarterly in FY 2021.
Executive Review Committee	Facilitator: Head of Corporate Planning Division Other members: Group CEO and Heads of Business Group. Participants are selected on a case-by-case basis.	<ul style="list-style-type: none"> Discusses the measurement of and target setting for GHG emissions by sector, mainly sectors in the financed portfolio. Four Executive Review Committee meetings were held in FY 2021.

Roadmap for Achieving Carbon Neutrality - Transition Plan for a Decarbonized Society

To achieve carbon neutrality, we are working to achieve net zero GHG emissions in our financed portfolio, decarbonization through finance, and net zero emission from MUFG. We are working to achieve the targets set for 2030, 2040, and 2050.

Roadmap

	2019	2020	2021	2022	...	2030	...	2040	...	2050
Net zero GHG emissions from the financed portfolio										Net zero
Power sector (emission intensity)* ¹	349 gCO ₂ e/kWh					156-192 gCO ₂ e/kWh NEW				
Oil & gas sector (absolute GHG emission)* ²	83 MtCO ₂ e					Reduction rate 15-28% NEW				
Decarbonization through financial services										
Sustainable finance (for the environment)* ³	¥3.5tn* ⁴ (¥2.0tn)	¥8.0tn* ⁴ (¥3.7tn)	¥14.5tn (¥5.4tn)			¥35tn (¥18tn)				
Credit balance targets for coal-fired power generation										
Project finance (FY)	US\$3.58bn	US\$3.77bn	US\$2.95bn			50% reduction from fiscal 2019		Zero		
Corporate finance (FY)		Approx. ¥120bn						Zero NEW		
Net zero GHG emissions* ³ from own operations	Shift to 100% renewable energy for electricity procured domestically The Bank, the Trust bank, the Securities					Complete for all domestically NEW	Net zero			

*1 Scope 1 emissions from power generation businesses

*2 Scope 1, 2 and 3 emissions from upstream production businesses

*3 Cumulative total balance of financing extended since fiscal 2019

*4 Figures have been restated due to changes in calculation methods

NEW Announced in April 2022 **Boldface:** Targets

Climate Change-Related Opportunities

As a financial institution, MUFG recognizes that supporting climate change measures and the transition to a decarbonized society will lead to increased business opportunities.

MUFG announced a target of providing a cumulative 35 trillion yen in sustainable finance by 2030.

We intend to commit 18 trillion yen of finance in the environmental field, including initiatives to counter climate change that will lead to the reduction of greenhouse gas emissions and the conservation of the global environment. We promote renewable energy through project finance, etc., issue MUFG Green Bonds, which ensure that the net proceeds are allocated to the Eligible Green Projects, provide commodities and services aimed at mitigating environmental loads, encourage the climate change countermeasure consulting business and so on. By doing so, we support the transition to a decarbonized society.

Expansion of Climate Change-Related Capital Investments and Financing Opportunities for Financial Institutions

Demand for Capital Investment is Expected to Rise as a Result of the Acceleration of Net Zero Initiatives in Various Industries

According to the IEA^(note), global decarbonization-related investment is expected to reach approximately USD 4 trillion annually from 2026 to 2030. The Ministry of Economy, Trade and Industry (METI) estimates that domestic investment in the energy, automobile, construction, and other sectors related to decarbonization will reach approximately 17 trillion yen in 2030 alone, and approximately 150 trillion yen over a 10-year period. In addition to Green Bonds and Green Loans issued to support capital investment plans, providing financing support towards industrial innovations necessary for energy transition is also a major business opportunity for financial institutions.

(note) October 2021 IEA Report "World Energy Outlook 2021"

Total	Approx. 17 trillion yen/year	➡ Approx. 150 trillion yen over 10 years	
		Examples of Decarbonization investment	Amount of investments
Decarbonization of power sources /fuel transition	Approx. 5 trillion yen/year	<ul style="list-style-type: none"> ✓ Renewable energy (through feed-in tariff (FIT) / feed-in premium (FIP) programs, etc.) ✓ Hydrogen/ammonia (investment in hydrogen and ammonia infrastructure development) ✓ Manufactures of batteries (in-vehicle/stationary) 	Approx. 2.0 trillion yen Approx. 0.3 trillion yen Approx. 0.6 trillion yen
Decarbonization of manufacturing processes	Approx. 2 trillion yen/year	<ul style="list-style-type: none"> ✓ Energy efficiency improvement/decarbonization in manufacturing processes (next generation manufacturing process technology, carbon neutral power generation technology, etc.) ✓ Introduction of industrial heat pumps and co-generation systems 	Approx. 1.4 trillion yen Approx. 0.5 trillion yen
End use	Approx. 4 trillion yen/year	<ul style="list-style-type: none"> ✓ Introduction of houses/buildings with high energy efficiency ✓ Introduction of next-generation automobiles 	Approx. 1.8 trillion yen Approx. 1.8 trillion yen
Infrastructure	Approx. 4 trillion yen/year	<ul style="list-style-type: none"> ✓ Reinforcement of power systems (master planning) ✓ Development of infrastructure for electrified vehicles (charging stations, hydrogen stations) ✓ Measures to address digitalization (semiconductor manufacturing sites, establishment of data centers) 	Approx. 0.5 trillion yen Approx. 0.2 trillion yen Approx. 3.5 trillion yen
R&D	Approx. 2 trillion yen/year	<ul style="list-style-type: none"> ✓ Carbon Recycling (CO₂ separation and capture, synthetic methane, synthetic fuel, SAF, etc.) ✓ Development of manufacturing processes conducive to carbon neutrality (hydrogen reduction steelmaking, etc.) ✓ Nuclear power (R&D of innovative reactors, etc.) ✓ Implementation of leading-edge CCS projects 	Approx. 0.5 trillion yen Approx. 0.1 trillion yen Approx. 0.1 trillion yen Approx. 0.6 trillion yen

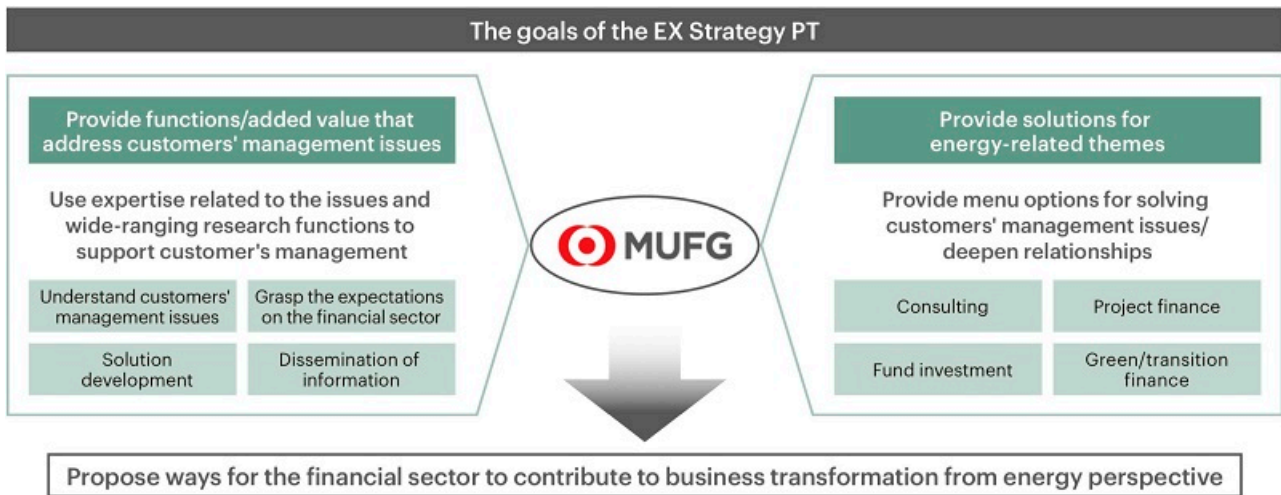
Prepared by MUFG based on the document published by the Ministry of Economy, Trade and Industry

The Energy Transformation Strategy Project Team

In December 2021, the Japanese Corporate & Investment Banking Business Group launched the Energy Transformation Strategy Project Team (EX Strategy PT).

In order to support the customers' energy transformation, the team is exploring how the financial sector as a whole can contribute to customers, while engaging in dialogs with customers, industry associations, and government agencies. As an initiative, MUFG holds monthly meetings with about 300 employees from sales divisions under the theme of energy transformation and promotes each effort while improving our response to issues throughout the MUFG Group.

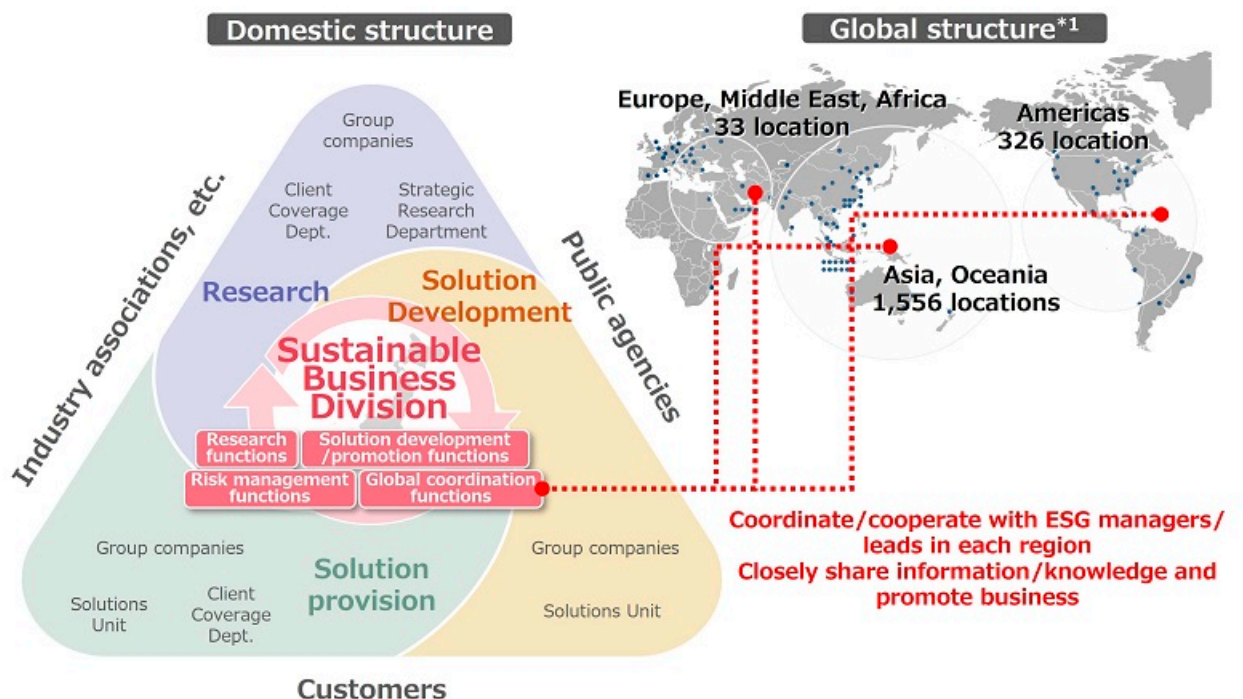
- Hold dialogs with customers, industry associations, and government agencies while supporting carbon neutrality for Japan as a whole
- Provide added value across the entire value chain, from research functions to solution provision
- Investigate what and how transition support should be for realistic solutions in Japan and Asia
- Leverage group companies' and global expertise, and cooperate with related departments such as the client coverage dept., the Solutions Unit (including the Sustainable Business Office), the Sustainability Office, etc. to support customers' business transitions



Global Structure to Promote Sustainable Business on a Global Basis

MUFG provides solutions to assist our customers innovate and to make structural changes to their business model in order to solve environmental and social issues.

In July 2021, we established the Sustainable Business Division to further promote businesses that will help solve environmental and social issues as a Group. We established a global structure to gather intelligence and capture business opportunities through assigning ESG heads in each region – EMEA, Americas and APAC – who are responsible for promoting the provision of sustainable financing solution and customer engagement, and having active discussions through global forums such as the Global ESG Conference. In addition, by collecting information from various perspectives through international initiatives, we are promoting rulemaking, commercialization, and market creation globally to capture future business opportunities.



^{*1} Number of locations as of the end of March 2022; multiple branches or a branch and branch office in the same location are counted as a single location (Including partner banks and Adira Finance locations)

Engagement Activities Based on the Needs of Customers

MUFG intends to be a financial institution that empowers a brighter future by supporting customers' decarbonization. We aim to start engagement (dialogues) with customers through the Energy Transformation Strategy Project Team and to support customers to become carbon neutral by developing and providing solutions based on the varied issues and needs of each customer.

Engagement example (Japanese Corporate)

Customer	Status of Implementation
Japan Airlines Co., Ltd	<p>With its ESG strategy as a pillar of its management strategy, Japan Airlines aims to contribute to the realization of a sustainable society by addressing social issues through its business.</p> <p>MUFG has been in continuous discussion with Japan Airlines and supported its bond issuance by developing a framework in accordance with the Green Bond Principles of the International Capital Markets Association (ICMA) and by providing support for obtaining a second party opinion in order to promote the company's ESG strategy through its fund raising.</p> <p>The purpose of the bond issuance is to diversify financing methods as the world's first transition bond in the aviation industry and to accelerate efforts toward net zero emissions by 2050 by allocating funds to investments, such as cutting-edge, fuel-efficient aircraft, which contributes to CO₂ emission reduction.</p> <p>Going forward, MUFG will continue to help enhance Japan Airline's commitment to ESG management by supporting the issuance of bonds and continue working with the company to support its ongoing efforts and new challenges toward the transition to a decarbonized society.</p>
Power Sector	<p>MUFG coordinates dialogues between customers in the power sector and overseas institutional investors. As a financial institution, we encourage customers and investors to close the gap in their perceptions of their position, particularly the ideals and the reality of becoming carbon neutral. Most recently, we exchanged views on respective approaches to transitioning and contributed to building a foundation for formulating strategies.</p> <p>MUFG, including top management, regularly exchanges opinions with customers in the power sector regarding the external environment and awareness of problems, and we are working to gain a more multifaceted understanding of the position of customers through tours of power generation plants. To achieve the common goal of carbon neutrality for both customers and MUFG, we will discuss how MUFG can best contribute to the formulation and implementation of customers' strategies, including the possibility of strategic investments and contributing human capital.</p>
Oil & Gas Sector	<p>MUFG supports its customers in the oil and gas sector by working as one solid group to formulate strategies to implement transitions for each company, such as the introduction of hydrogen, ammonia, and biomass. In addition, by participating in discussions with local governments and various councils, we will deepen our understanding of business conditions in the sector and support the promotion of individual projects, such as initiatives for decarbonization of industrial complexes.</p> <p>MUFG uses a wide range of engagement activities with customers in the oil & gas sector to help them achieve transitions, including exchanging opinions on the future of the industry as well as providing opportunities to discuss developments in new areas, such as forest management. We are also focusing on ways to deepen mutual understanding by providing suggestions gained from our participation in COP26 and information on the environment in which financial institutions are operating.</p> <p>MUFG not only provides project finance support for geothermal power projects to customers in the oil & gas sector, but we also encourage customers to enter the renewable energy field by providing financial advisory services for equity investments in these projects. We are also one of the lead managers for issuing green bonds, and MUFG Group companies are working together to help customers make successful transitions.</p>

Engagement example (Global Corporate)



Customer	Status of Implementation
Company A (Indonesia, Power and Utility)	<p>The company has a roadmap towards 2025 to achieve an increase in renewable energy capacity as well as reduction of coal related power generation capacity within the power generation mix and has plans to tap into sustainability-linked financing.</p> <p>MUFG conducted a series of trainings and engagement sessions on topics relating to sustainable finance, transition finance, and ESG Risk Rating, to support the company's decarbonization goals.</p> <p>MUFG will continue to support the company's efforts towards decarbonization through continuous dialogue and financing support.</p>
Company B (Oceania, Power and Utility)	<p>In Australia, an increase in renewable energy generation capacity and the development of power transmission infrastructure are underway to decarbonize power sources. As part of this effort, the company, who operates a high-voltage power transmission infrastructure business, has launched a new power transmission line development project. MUFG contributed as a financial advisor for this project supporting the project by proposing financing solutions, providing ESG-related advice, and engaging with participating companies as well as public and private stakeholders.</p>
Company C (Thailand, Oil and Gas)	<p>The company has committed to achieving net-zero emissions by 2050 and is in the process of setting interim targets towards achieving their long term commitment towards net-zero. In addition to the management level discussion between MUFG executives in Singapore and the company CFO together with the management team on company's sustainability roadmap, MUFG's sector coverage team provided the client with an overview on how peers in the oil and gas sector are setting interim targets to support the company advance its decarbonization strategy.</p>
Company D (Indonesia, Oil and Gas and renewable energy)	<p>The company has recently joined regional CCUS (Carbon dioxide Capture Utilization and Storage) institutions and signed joint study agreements to assess the potential for large-scale implementation of lower-emissions technologies, including carbon capture and storage and hydrogen production.</p> <p>MUFG is supporting the company's decarbonization strategy through continuous dialogue including a series of trainings and engagement sessions on topics relating to sustainable finance, transition finance, ESG Risk Rating, and CCUS.</p>
Company E (Oceania, Oil and Gas)	<p>The company was considering participating in a CCS (Carbon dioxide Capture and Storage) project as its core strategy to prepare for carbon neutrality – in line with the Paris Agreement. However, CCS market is still immature and requires cooperation beyond public-private partnership to achieve practical application. MUFG teams in Japan and Australia jointly provided early stage financing advice as well as facilitated discussions between various stakeholders, which ultimately contributed to the company's progress in CCS opportunities and in energy transition.</p>
Company F (United Kingdom, Transportation)	<p>MUFG has been actively promoting the market for fleet transition through regular exchanges with all relevant stakeholders (bus operators, lessors, public authorities, technical and legal advisors) in EMEA. This included a workshop with representatives of the UK Department for Transport where MUFG presented its ideas and suggestions on how the UK government could further support the fleet transition in the UK.</p> <p>MUFG worked with one of the UK's leading electric bus lessor and battery storage provider to establish a ring-fenced secured funding platform to develop its electric vehicles and fleet infrastructure business. The funds will be utilized to finance 400+ new e-buses in the UK and Ireland.</p> <p>MUFG's extensive track record in Project and Structured Finance as well as strong fleet transition credentials led to our participation in this transaction. MUFG has contributed to help transitioning a substantial number of buses in the UK and Ireland to zero-emission buses and has supported the company to further expand its business in the fast developing fleet transitioning market.</p>
Company G (United Kingdom, Power and Utility)	<p>A UK utility company defined ESG as its core strategic priority to achieve its energy transition. MUFG has had on-going discussions with the company's management team to provide financing support. As a result, MUFG provided financing support to the company by serving as its financial advisor for a CCS project, collaborating on an offshore wind power project, and providing support on ESG-linked loan and green bond issuance.</p>
Company H (EMEA, Oil and Gas)	<p>MUFG has been having regular conversations with a global energy company's senior management team to support the company's transition strategy. In addition to understanding the company's energy transition strategy, MUFG shared its views and made proposals tailored to the company's strategy by leveraging MUFG's strength in structured finance. This led to providing financial support to contribute to the acceleration of the company's energy transition.</p>
Company I (Americas, Power and Utility)	<p>MUFG provided educational and benchmarking materials with respect to ESG reporting and emissions commitments and discussed with merits and considerations around different types of targets and has provided support to client towards their target announcement.</p> <p>MUFG also continues to be in discussions with the client on arranging corporate and project finance debt issuances for its transition capex and ongoing refinancing and liquidity needs.</p>

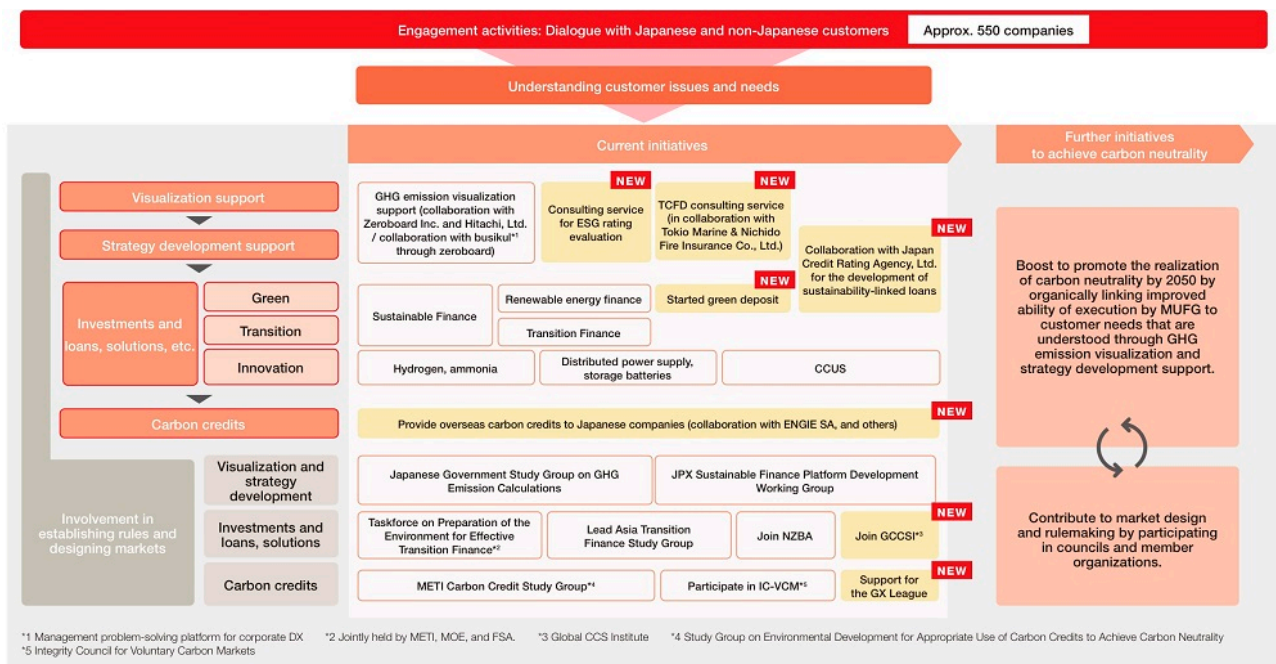
Hosted an Engagement Seminar for Realization of a Carbon-Neutral Society

In April 2022, we held a seminar with the aim of promoting mutual understanding and fostering a sense of unity through engagement toward decarbonization with customers. More than 100 customer companies, mainly those in the electric power and oil and gas sectors, participated. Panelists included experts from the Institute of Energy Economics, Japan, the Ministry of Economy, Trade and Industry, and discussed the future direction of decarbonization based on the latest conditions and the expected role of financial institutions. We also explained the background of setting the interim targets announced in the MUFG Progress Report and the reasoning behind those numerical values. The valuable opinions and requests received from customers at the seminar will be used to provide solutions and deepen engagement in the future.



Development and Provision of Decarbonized Solutions Based on Customer Needs

In order to resolve issues and meet needs identified through engagement with customers, we develop and provide a variety of solutions, including support for visualization of GHG emissions, support for strategy development through TCFD consulting services, support for investment and financing through the provision of financing, and deployment of overseas carbon credits to Japanese companies.



Initiatives by MUFG

Collaboration with Tokio Marine & Nichido Fire Insurance Co., Ltd.	Collaboration with Japan Credit Rating Agency, Ltd. (JCR)
Two financial institutions that focus on long-term engagement have joined forces to address TCFD disclosure issues for customers. These issues include climate change risk/opportunity analysis and formulating strategies. By leveraging the complementary strengths of these two institutions, we now provide consulting services with an eye to providing solutions.	We collaborate with JCR, an agency with an extensive track record in evaluations for sustainable finance, and developed a sustainable finance product that incentivizes GHG emissions reductions by combining JCR's expertise with MUFG Bank's customer base, financial expertise and Zeroboard Inc.'s services.
Positive Impact Finance	Transition Bond
MUFG Bank began handling positive impact finance in FY 2021 as part of strengthening engagement. We provided our first positive impact finance to Mitsubishi Heavy Industries, Ltd., a key technology player in the decarbonization field (loan agreement amount: 2 billion yen).	Mitsubishi UFJ Morgan Stanley Securities provides support as the lead manager and structuring agent for the world's first transition bonds in the aviation industry issued by Japan Airlines Co., Ltd.
Leading Practices Overseas	Collaboration with ENGIE SA
<ul style="list-style-type: none"> • First large-scale offshore wind project finance deal in the US (total financing amount: approx. USD 2.3billion) – one of the largest renewable energy project finance deal closed in 2021. (Awarded 2021 PFI Global ESG Deal of the Year) • First carbon credit backed supply chain finance in EMEA (total financing amount: approx. USD 640million) 	MUFG Bank reached an agreement with ENGIE SA, with over 10 years of experiences in low-carbon energy and services, to collaborate on solutions to help MUFG Bank's customers mitigate climate change by supporting their decarbonization strategies. Through this collaboration, we aim to establish a way to provide appropriate carbon credits supplied by ENGIE to our customers. We will also consider further business development and collaborations in renewable energy as well as in new fields such as hydrogen.
Consulting Service for ESG Rating Evaluation	Popularization of Renewable Energy and Storage Batteries
Mitsubishi UFJ Trust and Banking has started providing consultations to identify ESG issues and improving evaluations, based on ESG ratings such as FTSE. This supports engagement activities with investors and other stakeholders.	The Bank has invested in PowerX, Inc., a company that promotes the manufacture and sale of electricity accumulators and development and manufacture of electric freighters. While contributing to the development of the next generation of industries that will lead to the strengthening of the competitiveness of the Japanese economy, we provide new options to customers with PowerX's innovative approaches to renewable energy and electricity accumulators.

FOCUS "Promoting Sustainable Businesses" (MUFG Report 2022 P58) (PDF / 8.16MB) 

Pushing Ahead with Support for Innovation



Through participation in various councils in new fields such as hydrogen, ammonia, and CCUS, MUFG will expand its contribution to the decarbonization of its customers.

In order to support the realization of a sustainable society through a virtuous cycle of the environment and the economy, we will work with customers to support new businesses through financial services: from the R&D and demonstration stages with the aim of realizing innovative technologies, such as renewable energy, hydrogen, next-generation energy, carbon recycling, etc.

Support for Building Ammonia Supply Chains	Participation in the Global CCS Institute (GCCSI)	Introducing Fuel Cell Buses and Contributing to the Community through the Decarbonization Concept
<p>Marubeni Corporation is working on a feasibility study for building a supply chain for clean fuel ammonia from Western Australia to Japan, to be implemented jointly with government agencies, power companies, and Australian companies. MUFG participates in financing to support for building ammonia supply chains.</p>	<p>MUFG is the first Asian private financial institution to participate in this international think tank, established with the aim of promoting the global use of carbon capture and storage (CCS) technology.</p>	<ul style="list-style-type: none"> • MUFG's supports (donations) help to fund the introduction of fuel cell buses in Tokyo and Osaka, with a view to increasing demand and promoting the use of hydrogen. • MUFG contributes, including donations, to local communities by helping to create sustainable businesses originating in Osaka, looking ahead to achieving carbon neutrality goals set by Osaka Prefecture, and presenting and promoting technology at expositions.

Sustainable Business Investment Strategy

Overview

The Sustainable Business Investment Strategy (hereinafter referred to as “Investment Strategy”) is an investment strategy that incorporates environmental and social impacts into investment decisions in order to expand investments that combine economic efficiency with environmental and social impacts in the future. In making investment decisions, we also use internal carbon pricing^(note), a method that calculates value by multiplying the amount of CO₂ reduction by the future carbon price. With the support of PricewaterhouseCoopers Sustainability LLC, the Investment Strategy uses revenue-adjusted conversion of reduced carbon costs. The internal carbon pricing used in the Investment Strategy was USD40/tCO₂ (as of FY2021). In the future, we will consider investment based on the direction that international impact assessment methods are headed and status of development.

The methods and knowledge acquired through the Investment Strategy will also be applied to finance, advisory, etc., with the aim of contributing to solving customer issues.

(note) This concept is used by organizations to independently price their own CO₂ emissions and to reduce the carbon footprint of their corporate activities. It is used mainly by operating companies for investment decisions.

Investments Based on Sustainable Business Investment Strategy

Investment (Fund Name)	Asset Manager	Investment Targets	Estimated Impact of Bank Investment (Effect of CO ₂ Reduction)
Global Renewable Power Fund III)	BlackRock, Inc.	Ancillary facilities such as renewable energy, power storage, and distribution facilities	Approximately 20,000 tCO ₂ per year (based on Bank estimates)
Ares Climate Infrastructure Partners	Ares Management Corporation	Infrastructure and energy assets in the field of climate change countermeasures	Approximately 30,000 tCO ₂ per year (based on Bank estimates)
Climate Finance Partnership	BlackRock, Inc.	Renewable energy power generation, energy-saving facilities, storage and distribution facilities, electric power and ultra-low emission logistics mobility services	Approximately 17,000 tCO ₂ per year (based on Bank estimates)
MPower Partners Fund L.P.	MPower Partners GP	Domestic and overseas venture companies in the fields of healthcare/wellness care, fintech, next-generation work/education, next-generation consumer/retail, and the environment	—

Promotion and Popularization of Renewable Energy Use

Main Initiatives

Establishment of Z Energy Co., Ltd. for Renewable Energy Fund Creation

In September 2021, with eight partner companies, the Bank established Z Energy Co., Ltd.^(note1) as a fund management company with the aim of building an independent renewable energy market, based on a concept that covers all facets of renewable energy from creation to consumption.

In March 2022, we established the first Carbon Neutral Fund operated by Z Energy Corporation, and have started investing in renewable energy power generation projects^(note2).

MUFG has established an impact assessment system with Z Energy as a practice of impact investment, and has been selected as a model project under the Ministry of the Environment's "2021 Green Finance Model Case Creation Project."

(note1) [Press release \(September 1, 2021\):MUFG Establishes a Company with the Aim of Creating a Renewable Energy Fund](#)

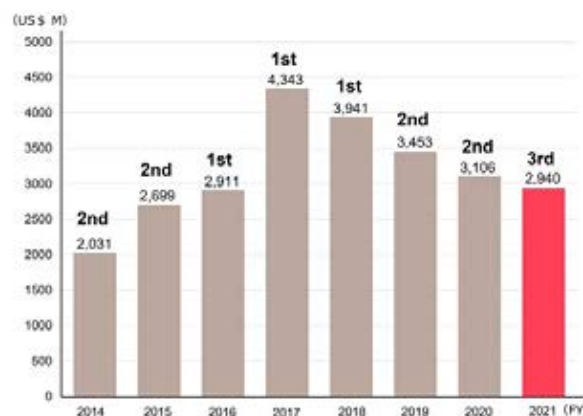
(note2) [Press release \(December 1, 2021\):Investment in Carbon Neutral Fund 1 Investment Limited Partnership \(in Japanese\)](#)



Renewable Energy Project Finance

MUFG is one of the world's top performers in the global project finance sector, as shown in the Lead Arrangers League Table related to renewable energy projects. In May 2021, MUFG set a target of reducing CO₂ emissions through project finance for renewable energy projects by a cumulative total of 70 million tons from FY 2019 to FY 2030. This is equivalent to the annual CO₂ emissions of about half of the households in Japan.

Reduction of CO₂ emissions from FY 2019 to FY 2021 was 26.83 million tCO₂.



Source: Bloomberg New Energy Finance ASSET FINANCE /Lead Arrangers LEAGUE TABLE

Establishment of a Solar Fund (Ecology Trust)

The Trust Bank has been offering solar funds every year since FY 2018 as an investment product.

The project has been well received by investors, who say that now they have a new investment option for solar power generation that produces a stable profit. The amount of the fund is 24.7 billion yen (cumulative since FY 2018), and the total amount of power generation is the electric energy usage of 18,000 households.

The Trust Bank has been actively investing in renewable energy with investment totaling 31 power plants, 318 MW, and 132.8 billion yen (excluding already established funds). The Trust Bank is also contributing to regional revitalization, by focusing on projects closely related to local businesses, governments, and residents.

Introduction of Renewable Energy Power from Off-site Solar Power Generation Facility

The Bank has signed an agreement with NTT Anode Energy Corporation for an off-site PPA service^(note1) that utilizes a new power generation facility. Through this service, the Bank has introduced electricity derived from renewable energy generated by the new solar power plant to 40 locations in eastern Japan since July 2022. The Bank is involved in the construction of a new 2,000 kW solar power generation facility, and will purchase electricity derived from renewable energy sources over the long term, and directly contribute to the increase in the number of expandable renewable power sources^(note2) in Japan.

(note1) PPA, or Power Purchase Agreement, is a service in which the power producers and electricity consumers execute a purchase agreement for renewable electricity at a price and period agreed in advance, and renewable electricity generated from renewable power sources installed off-site, not in demand areas, is supplied to consumers via ordinary power grids.

(note2) Contribution to the spread and expansion of new renewable energy through the introduction of renewable energy.

Launch of Solar Roof-top Lending Program

Krungsri (Bank of Ayudhya) launched the Solar Roof-top lending program for Retail and SME customers. This program will finance customers in installing solar panels on the roof-tops of their private and commercial residence, which will lead to energy savings and building of a clean energy community.

Participation in the "Fast-Growing Tree for Biomass Power Generation" Verification Project

The Trust Bank has started a verification project with Maniwa City in Okayama Prefecture and the Maniwa Forest Association to diversify the route to secure stable fuel for biomass power generation by planting fast-growing trees on unused land such as abandoned farmland.

"Fast-Growing Tree for Biomass Power Generation" is a project that aims to make forests, an important asset that absorbs CO₂, a sustainable resource for Japan, aiming to become carbon neutral by 2050, and to revitalize forestry and other forest businesses. Together with the Maniwa Forest Association and Maniwa City, which has been selected as a leading area for decarbonization, we will promote a verification project using willows, a fast-growing tree that grows naturally in Maniwa City, with the aim of further expanding the use of biomass power generation, to contribute to the securing of raw materials for wood chips, a fuel source.

Provision of the World's First Limited-Recourse Financing for France's First Floating Offshore Wind Project

In November 2021, MUFG took part in the financing for the first floating offshore windfarm constructed in France. Floating offshore wind is considered a key pillar in the energy transition regime under the Paris Agreement. In this project, the Tension-leg platform (TLP)^(note) technology is utilized for its floaters, which is the first in the world. The pilot project will enable the confirmation of industrial principles and the improvement of scientific, technical and environmental knowledge. MUFG acted as Mandated Lead Arranger and Hedge Provider on the deal, and the total investment amounted to EUR 300m. This landmark transaction also represents the first floating offshore wind farm to have successfully closed a limited-recourse financing worldwide. MUFG has a strong desire to build on the expertise to support clients globally and particularly in France, Norway, Japan, South Korea and the US, which have been identified as key markets where floating wind is expected to be deployed.

(note) Tension Leg Platform

Products and Services that Support the Promotion of Our Customers' Sustainability

MUFG supports the promotion of sustainability through the provision of products and services to customers who aim to address climate change and other environmental concerns.

Main Products and Services

Green Bonds

The Securities is a leading Green Bonds underwriter since the inception of the market. Since FY2019, we have been a member of the Climate Bonds Partners Program operated by the Climate Bonds Initiative^(note1) who is one of the most important partner for us in this area. In addition, MUFG has been selected as a member of the 2021/2022 ICMA^(note2) Advisory Council of the Green Bond Principles and Social Bond Principles^(note3) and also involved in several working groups, contributing to the development and improvement of the related Principles and Guidelines.

(note1) The Climate Bonds Initiative is an international organization based in London that works to promote investment in the projects and assets needed for a rapid transition to a low-carbon, climate durable economy. The Climate Bonds Partners Programme supports investor and stakeholder activities and educational projects to grow sustainable green bond markets that contribute to climate change response and low carbon investment.

(note2) ICMA (International Capital Market Association) is a non-profit organization that develops rules and principles for the development of international capital markets. It consists of more than 600 members (as of July 2022) including issuers, securities dealers, banks, investors, and central banks.

(note3) An advisory body to the Executive Committee who is the governing body of Green Bond Principles, etc., established to increase its market awareness and outreach.

MUFG structured and executed a USD 334.5million Green Project Bond for solar power projects issued by Scatec ASA, a leading renewable energy solutions provider worldwide based in Norway. The financing will support the six operating fields in Egypt's Benban Solar Park, the fourth largest photovoltaic solar power plant in the world and the largest on the African continent.

Green Loans and Green Private Placement Bonds

The Bank provides green loans and green private placement bonds as a means for customers to raise funds to be used for green projects. This product will be used only for projects with environmental improvement effects (green projects).

In July 2022, we signed Japan's first Green Loan for a biogas power generation business using cow dung as a raw material.

Sustainability Bonds

The proceeds from bond issuance are allocated only to the projects that will contribute to solving global environmental and social issues.

Please click [here](#) for information on bond underwriting results of the Securities. (in Japanese)

Sustainability-linked Bonds

The bonds whose financial/structural characteristics may vary depending on whether the Sustainability Performance Targets (SPTs) predetermined by an issuer are achieved.

Please click [here](#) for information on bond underwriting results of the Securities. (in Japanese)

Sustainability-linked Loans

The Bank uses sustainability-linked loan (SLL) products to support customers' ESG initiatives. An SSL is a loan product that sets sustainability performance

targets (SPTs) in line with customers' ESG strategies, and the terms of borrowing fluctuate according to the achievement of those targets. In March 2022, we established an SLL as an arranger for Obayashi Corporation, which sets the CO₂ emission reduction rate target of 1.5°C for Scope 1 and 2 and well below 2°C for Scope 3.

Transition Bonds/Transition-linked Bonds

The Securities acted as lead arranger and/or structuring agent^(note) for Transition Bonds (Use-of Proceeds instruments) and Transition-Linked Bonds (Sustainability-Linked instruments) issued by the companies with medium- to long-term transition strategies which is Paris-aligned. They are a leading company in this field, serving as a structuring agent in five out of the nine public offering of Transition/Transition-Linked Bonds (including those planned) that were selected as model case of the Transition Finance Model Project of the Ministry of Economy, Trade and Industry (METI). We will further promote our underwriting activity of the bonds with ESG themes including decarbonization for the sake of business and economic growth in harmonization with social and environmental benefits and continue our contribution to the realization of a sustainable society.

(note) A company who supports the issuance of Transition Bonds/Transition-Linked Bonds through the structuring works such as a formulation of a framework.

Track Records as a Structuring Agent (as of July 2022)

Month of Issue	Issuer	Label	Issued Amount
July 2021	Nippon Yusen Kabushiki Kaisha (NYK Line)	Transition	20 billion yen
February 2022	Japan Airlines Co., Ltd.	Transition	10 billion yen
May 2022	JERA Co., Inc.	Transition	20 billion yen
June 2022	ENEOS Holdings, Inc.	Transition-linked	100 billion yen
July 2022	The Idemitsu Kosan Co, Ltd.	Transition	20 billion yen

Positive Impact Financing

The Bank offers positive impact financing, which uses impact assessments based on a framework developed jointly with Mitsubishi UFJ Research and Consulting. Positive impact financing is intended to "adequately identify and mitigate potential negative impacts in one of the three dimensions of sustainable development (environmental, social and economic), and to provide a positive contribution in at least one of them." It comprehensively evaluates and monitors the environmental, social, and economic impacts of customers' business activities, and supports their ESG management financially.

Energy Conservation Support Loan (With 1% Interest Subsidy)

This product makes use of the Ministry of Economy, Trade and Industry's subsidy program for the promotion of upgrading facilities to improve energy efficiency. Under this program, the borrower can receive a maximum 1% subsidy for up to 10 years for the interest on loans made for the installation of energy-efficient equipment.

ESG Management Support Loan/Private Placement Bonds

The Bank offers the ESG management support loan/ private placement bonds, which is an ESG assessment based financing product that supports and assists customers' ESG efforts. The ESG assessment of this product is performed by Mitsubishi UFJ Research and Consulting of the MUFG Group as the service provider and the Japan Credit Rating Agency, which has a track record of certifying green finance, as a support company. The ESG efforts of a customer are assessed and scored based on an independent checklist, and feedback is provided on various issues in order to support the sustainable growth of the customer.

Loans for Supporting the Promotion of Decarbonization

The Bank provides Loans for Supporting the Promotion of Decarbonization, financial products designed to aid/support ESG initiatives. For these loans, the "Decarbonization Support Program" tool developed with Mitsubishi UFJ Research and Consulting, a member of MUFG, is utilized to assesses customers' efforts to promote decarbonization, and the program provides solutions for promoting decarbonization initiatives.

ESG Evaluation loans for J-REIT

The Bank offers the loan product, "ESG Evaluation loans for J-REIT" using "MUFG ESG Evaluation for J-REIT supported by JCR"^(note) which is provided by Mitsubishi UFJ Research and Consulting. The entire loan or portions directed towards J-REITs which have received the top three ratings of MURC's ESG evaluation may be preferentially allocated for the usage of the proceeds of the MUFG Green Bonds only if loans to Eligible Green Projects. Through the loan products related to ESG, we are not only able to support the customers' funding methods, but also support customers' business challenges and offer solutions as well.

(note) Mitsubishi UFJ Research and Consulting offers evaluation and ratings to J-REITs which aspire and conduct ESG management. The ESG evaluation methodology provided by MURC supports J-REITs in recognizing its current conditions and challenges regarding ESG activities.

Green Deposit

Managed by the Bank, Green Deposit is a foreign currency time deposit that is procured only for the purpose of funding projects that contribute to improvement of environmental issues. In addition to Japan, we also offer Green Deposit in the United States, Australia, China and Hong Kong. Other overseas bases are also planning to gradually start offering the product.

[Green Deposit](#) 

ESG Investment

Investments that take into account ESG factors are expected to support companies and various organizations working to achieve a sustainable society and improve their long-term returns; thus, there is a growing interest in it, especially among institutional investors, such as public pension funds.

MUFG's treasury business diversifies the investment target to government bonds, foreign bonds, stocks, and corporate bonds, as well as green bonds and other types of investments. In order to strengthen MUFG's financial earnings and contribute to sustainable economic growth through ESG investments, MUFG is going to promote ESG investments by finding the right balance between risks and returns.

Climate Change Risks -Transition Risks and Physical Risks-

There are two kinds of climate change-related risk. First, there are risks arising in the course of the transition to a decarbonized society, such as stricter regulation and the introduction of decarbonizing technologies (transition risks), and second, there are risks arising from physical damage due to the growing occurrences of climate change-induced natural disasters and abnormal weather (physical risks).

Financial institutions are required to address both risks, which may directly impact their own business activities and indirectly affected due to impacts on clients.

Based on the suggestions of the TCFD, MUFG has summarized the examples of physical and transition risks for each of the major risk categories. The timelines (short, medium, and long term) are also organized by risk category.

In addition, to prepare for the risk of damage to our employees and assets due to an increase in natural disasters and extreme weather events, we conduct various drills and formulate a business continuity plan (BCP) to ensure business continuity.

Examples of transition risks	
Policies, laws and regulations	<ul style="list-style-type: none"> • Increase in the cost due to GHG emissions by the introduction of a carbon tax • Strengthened obligation to report emissions • Regulations on existing products and services Subject of lawsuits
Technology	<ul style="list-style-type: none"> • Switch to existing products and services with lower GHG emissions • Setback in the investment in new technologies • Cost of transition to low emission technologies
Market	<ul style="list-style-type: none"> • Changes in customer behavior • Uncertainty in market signals • Raw material price hike
Reputation	<ul style="list-style-type: none"> • Changes in consumer preferences • Narrowing of sectors • Increased stakeholder interest and negative feedback to stakeholders

Examples of physical risks	
Acute	<ul style="list-style-type: none"> • Increased severity of extreme weather events, such as typhoons and floods
Chronic	<ul style="list-style-type: none"> • Changes in precipitation patterns and extreme fluctuations in weather patterns • Increase of average temperature • Sea level rise

Examples of Impacts of Transition Risks and Physical Risks

MUFG has organized examples of impacts (examples of potential risks) of climate change on each of the major risk categories of the physical and transition risks.

Risks are classified mainly around the following six categories. In the future, the classification of the risks and examples will be reviewed in response to changes in the environment.

Example of Transition and Physical Risks

Risk categories	Examples of transition risk	Examples of physical risk	Time frame ^(note)
Credit risk	<ul style="list-style-type: none"> Our corporate clients' business activities and financial positions may be negatively affected if they cannot deal with government policies, regulatory requirements, customer requests or evolving trends in technological development. 	<ul style="list-style-type: none"> Extreme weather may cause direct damage to assets held by our corporate clients and/or have a negative spillover effect on their business activities and financial positions by indirectly impacting their supply chains. 	Short-to long-term
Market risk	<ul style="list-style-type: none"> The transition to a decarbonized society may negatively impact certain business sectors, making the value of relevant securities held by MUFG and/or financial instruments deriving from them highly volatile. 	<ul style="list-style-type: none"> The impact of extreme weather may induce market turmoil and make the value of securities held by MUFG highly volatile. The value of securities held by MUFG may become volatile due to changes in market participants' medium- to long-term outlook on the impact of extreme weather and their expectations regarding countermeasures against the phenomenon. 	Short-to long-term
Liquidity risk	<ul style="list-style-type: none"> If its credit ratings deteriorate due to such factors as delays in its response to transition risks, MUFG may face limitations on methods for funding from the market and thus growth in risks associated with fundraising. 	<ul style="list-style-type: none"> Corporate clients suffering damage from extreme weather may choose to withdraw their deposits or utilize commitment lines to secure funds for reconstruction, leading to a growing volume of cash outflows from MUFG. 	Short-to long-term
Operational risk	<ul style="list-style-type: none"> Spending on capital investment may grow due to the need for measures aimed at reducing CO₂ emissions and enhancing business continuity capabilities. 	<ul style="list-style-type: none"> Extreme weather may cause damage to MUFG's headquarters, branches and/or data centers and lead to the disruption of their operations. 	Short-to long-term
Reputation risk	<ul style="list-style-type: none"> If MUFG's plans and efforts to realize carbon neutrality are deemed inappropriate or insufficient by external stakeholders, it may suffer from reputational damage. MUFG may suffer from reputational damage and/or deterioration in its status as an employer due to the continuation of relationships with business partners who doesn't give enough consideration to environmental concerns or delays in its transition to decarbonization. 	<ul style="list-style-type: none"> If MUFG's efforts to support customers and communities affected by extreme weather are deemed insufficient, it may suffer from reputational damage or a resulting disruption of operations. 	Short-to long-term
Strategic risk	<ul style="list-style-type: none"> If MUFG fails to live up to its public commitment to support the transition to a decarbonized society, its capabilities for strategic execution may be negatively affected by a deterioration in its reputation. 	<ul style="list-style-type: none"> MUFG may fail to meet the goals of its strategies and plans if it fails to properly factor in the direct impact of extreme weather in the course of long-term management planning. 	Medium-to long-term

(note) Short-term: less than one year; medium-term: one to five years; long-term: more than five years

Scenario Analysis

The TCFD recommendations recommend conducting scenario analysis using multiple scenarios to demonstrate the flexibility and resilience of companies' plans and strategies to risks related to climate change.

Since the summer of 2019, MUFG has been a participant in the pilot project led by the United Nations Environment Programme Finance Initiative (UNEPFI) with the objective of discussing and developing methods for climate change-related financial information disclosure for the banking industry. Based on the results of the pilot project, we conducted an analysis of transition risks up to the year 2050 and physical risks up to the year 2100. In addition to the results of the above-mentioned pilot project, the scenario analysis reflects the results of verification by external experts.

Transition Risk

[Main changes]

In addition to current three sectors (energy, utilities and automotive), we added the steel, air and maritime transportation to analysis targets.

	Last time	This time
Target sector	Energy (Japan, overseas) Utilities (Japan, overseas) Automotive (Japan, overseas)	Energy (Japan, overseas) Utilities (Japan, overseas) Automotive (Japan, overseas) Steel (Japan, overseas) Air (Japan, overseas) Maritime (Japan, overseas)

[Results]

Based on the results of the UNEP FI pilot project, a comprehensive approach was adopted for the measurement method, combining the bottom-up method at the individual company level and the top-down method at the sector level to assess the impact.

In addition to the sustainable development scenario (the [well below] 2°C scenario) released by the IEA, the NGFS scenario was used as an assumption. Then, in addition to the (well below) 2°C scenario, the 1.5°C scenario was analyzed on the impact on the credit ratings under each scenario, as well as analyzing the financial impact on an applicable sector's overall credit portfolio.

Scenario	<ul style="list-style-type: none"> Various scenarios, including the sustainable development scenario (the [less than] 2°C scenario) of the IEA and the 1.5°C scenario that the NGFS has released
Analytical method	<ul style="list-style-type: none"> An integrated approach is adopted to assess the impact by combining the bottom-up approach at the individual company level and the top-down approach at the sector level. Using this approach, the impact on credit ratings in each scenario is analyzed along with the effect on the overall financial impact of the sector's credit portfolio.
Target sector	<ul style="list-style-type: none"> Energy, utilities, automotive, steel, air, and maritime sectors
Target period	<ul style="list-style-type: none"> Until 2050 using the end of March 2022 as the standard
Result of analysis	<ul style="list-style-type: none"> Single-year basis: 1.5 billion yen to 28.5 billion yen

[Measures to reduce future migration risks]

These analysis results have reaffirmed the importance of making the transition toward decarbonization throughout society, and we believe that transition efforts in GHG-intensive industries are particularly important to achieving a carbon neutral and decarbonized society by 2050. As stated in the MUFG Carbon Neutral Declaration, MUFG is committed to actively supporting customers' transition efforts to achieve decarbonization through finance. Through engagement with customers, MUFG will confirm their transition strategies and implementation status as well as support their efforts toward decarbonization through sustainable finance, visualization of GHG emissions, and support strategy formulation. Through active discussions with regulators, various policy committees, and external experts, MUFG will also strive to keep abreast of domestic and international sustainability trends and trends toward decarbonization at individual companies, and will promote activities to gain international recognition for region-specific circumstances based on such information. In addition, by actively participating in discussions on external initiatives including participation in the Financing and Engagement Working Group of NZBA, which is chaired by MUFG, we will lead the creation of an international framework for a fair transition.

Physical Risk

[Main changes]

Targeting flood damage, which has been particularly prominent in recent years both in terms of frequency of occurrence and damage, the analysis was conducted by extending the period of coverage to 2100 based on the scenarios published by the Intergovernmental Panel on Climate Change (IPCC).

	Last time	This time
Calculation period	Until 2050	Until 2100

[Results]

Among the risks associated with physical damage caused by climate change, we adopted an approach to measure the impact on the overall credit portfolio using the default probability of a borrower that has changed because of the occurrence of floods, which have been particularly prominent in Japan and other countries in recent years in terms of both frequency of occurrence and damage level.

The climate scenarios are based on the RCP2.6 (2°C scenario) and RCP8.5 (4°C scenario) scenarios from the Coupled Model Intercomparison Project 5 (CMIP5) released by the Intergovernmental Panel on Climate Change (IPCC). The RCP8.5 scenario, which expects floods to be more frequent and larger in magnitude, was analyzed to estimate the damage caused by floods using data^(note) provided by various organizations.

In calculating financial impacts, in consideration of discussions conducted within the UNEP FI pilot project, we have reflected business suspension periods, loss arising in held assets and so on.

(note) Source: Hirabayashi Y, Mahendran R, Koirala S, Konoshima L, Yamazaki D, Watanabe S, Kim H and Kanae S (2013) Global flood risk under climate change. *Nat Clim Chang.*, 3(9), 816- 821. doi: 10.1038/nclimate1911

Scenario	<ul style="list-style-type: none"> RCP 2.6 (the 2°C scenario) and 8.5 (4°C scenario) published by the Intergovernmental Panel on Climate Change (IPCC)
Analytical method	<ul style="list-style-type: none"> Estimated damage in the event of a flood is analyzed, and an approach to measure its impact on the overall credit portfolio using the change in default probability that the occurrence of floods would have on the credit portfolio is adopted. In the calculation of financial impact, the period of the suspension of the business of the borrower and the loss of assets, among other aspects, are reflected.
Target of analysis	<ul style="list-style-type: none"> Flood
Target period	<ul style="list-style-type: none"> Until 2100 using the end of March 2022 as the standard
Result of analysis	<ul style="list-style-type: none"> Cumulative total: Approximately 115.5 billion yen

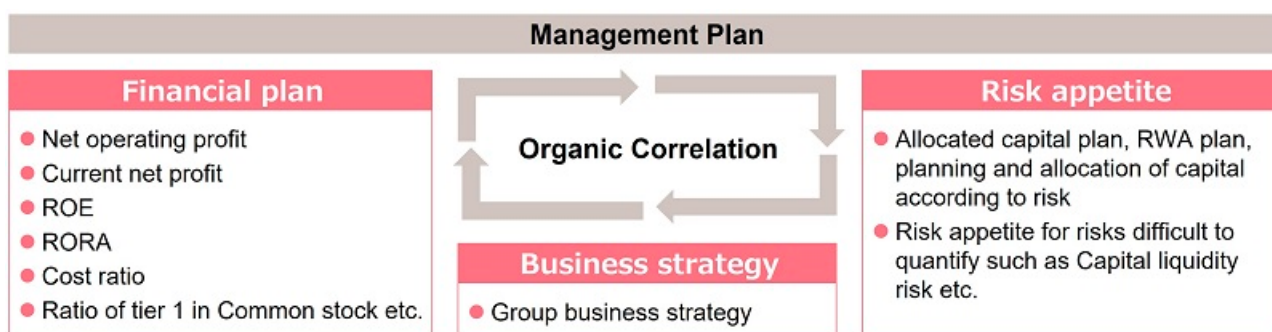
Risk Management

Reflection in the Risk Appetite Framework

From FY 2021, the risks related to climate change have been newly added to the Risk Appetite Statement. We aim to establish, maintain, and further develop a framework for appropriately managing risks related to climate change.

Outline of the Risk Appetite Framework

The Risk Appetite Framework is a framework for clarifying the risk appetite (the type and amount of risk to be undertaken) to achieve MUFG's business strategy and financial plan and for conducting business management and risk management.



Climate Change-Related Risk in Enterprise Risk Management -Top Risk Management-

In the "Top Risk Management" approach that MUFG primarily adopts for enterprise risk management, we consider the risks arising from climate change as one of the Top Risks.

We also recognize that climate change-related risks are likely to become apparent and worsen in the medium to long term.

In MUFG and its core subsidiaries, management is regularly engaged in discussions regarding the Top Risks to gain a further understanding of the risk recognition, and to develop appropriate risk control countermeasures.

Top Risk Management

MUFG defines a risk event as a loss that could be brought on to the Group as a result of the materialization of various risk scenarios and determines the importance level based on the impact and probability of the event. Risk events that should be paid most attention to over the next year are identified as Top risks.

Risks Relating to Climate Changes

Risk scenarios	Risk countermeasures
<ul style="list-style-type: none"> • If our efforts to address climate change-related risks or to make appropriate disclosure are deemed insufficient, our corporate value may be impaired. • Our credit portfolio may be adversely affected by the negative impact of climate change on our borrowers and transaction counterparties. 	<ul style="list-style-type: none"> • Promote various measures in line with the Carbon Neutrality Declaration while disclosing relevant information and enhancing scenario analysis based on recommendations from the TCFD. • Formulate interim targets consistent with the Paris Agreement regarding the volume of GHG emissions in addition to updating our Environmental and Social Policy Framework and strengthening engagement with corporate clients.

Construction of a Management Framework to Address Change on a Group and Global Basis

MUFG has established a project team on a group and global basis to strengthen the response to risks related to climate change. The team will implement appropriate measures by identifying and sharing information on regulatory trends etc. and by establishing a framework for risk management on a group and global basis.

To consider a management framework for risks related to climate change, a project team is established with the Group Chief Risk Officer (CRO) as the lead and with participation of the CROs from the Bank, Trust Bank and Securities, as well as regional CROs.

Main Items to be Considered and Provided a Response

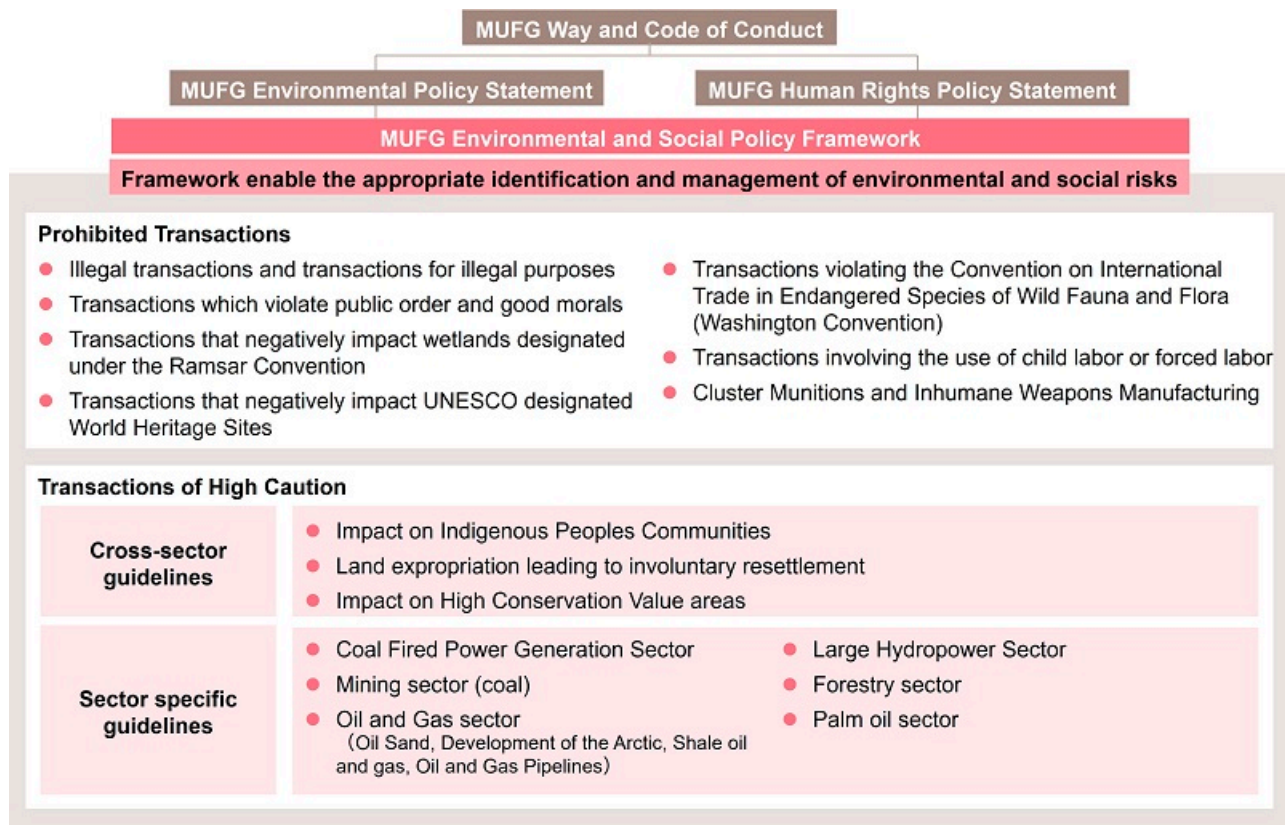
- Establishment of a framework for customer transition support as a method of classifying and analyzing risks related to climate change, clarifying risk appetite, and reflecting risk in the credit process.
- Organization of risk recognition related to transition risks and physical risks through case studies

Environmental and Social Risk Management in Finance

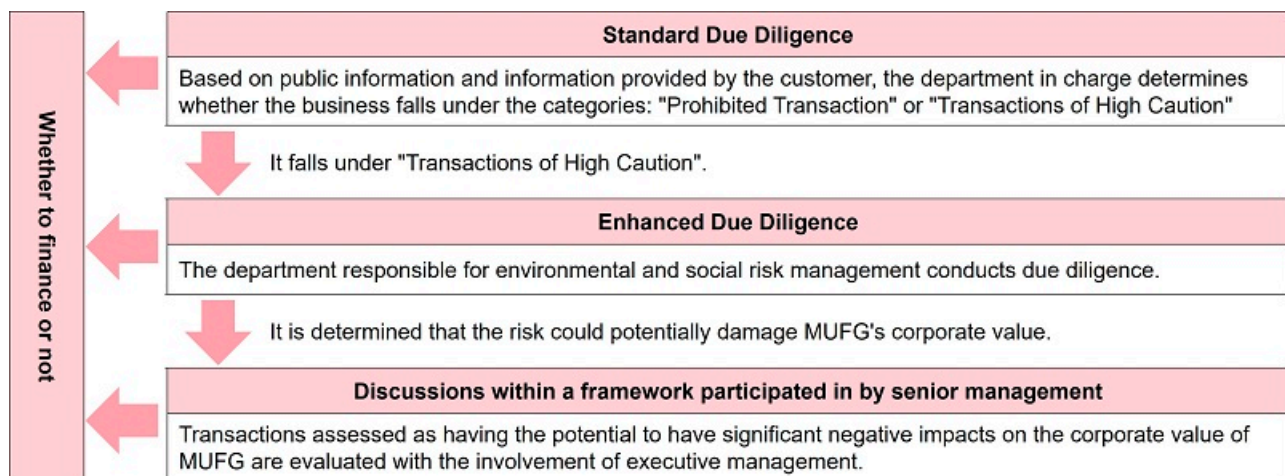
We implemented MUFG Environmental and Social Policy Framework to manage environmental and social risks associated with our financing^(note). Concerning coal-fired power generation, mining (coal), oil and gas, and other specific sectors in which concerns are raised over environmental and social impacts, including climate change, we have established our finance policy and a due diligence process to identify and assess the environmental and social risks or impacts associated with transactions has been introduced.

(note) Credit, bond and equity underwriting for corporate clients of MUFG's main subsidiaries, the Bank, the Trust Bank and the Securities HD.

MUFG Environmental and Social Policy Framework



The Process of Identifying and Assessing the Environmental and Social Risks or Impacts of a Business to be Financed



Policies on the Sectors Related to the Environment, Including Climate Change

Since its establishment in May 2018, the MUFG Environmental and Social Policy Framework has been periodically reviewed in response to changes in business activities and the business environment. The most recent revision, made in April 2022, strengthened and revised policies for the climate-related sectors (palm oil, mining (coal), and oil and gas sectors).

Environment-Related Policies in the MUFG Environmental and Social Policy Framework

Sectors	2018	2019	2020	2021	2022	Details of revisions
Coal-fired power generation	Established	Revised		Revised		Strictly limited eligible clients to those certified under the Roundtable on Sustainable Palm Oil (RSPO) program
Forestry		Established		Revised		
Palm oil		Established		Revised	Revised	
Mining (coal)		Established			Revised	Prohibited financing for new projects associated with the mining of thermal coal for use in power generation businesses
Oil and gas			Established		Revised	Clarified process for identifying and assessing risks and impacts arising from shale oil, gas and pipeline projects in terms of environmental and social sustainability
Large-scale hydroelectric power generation			Established			

Response to Climate Change-Related Risks Based on the Equator Principles

The Equator Principles is an international framework developed to identify, assess, and manage potential environmental and social risks and impacts of large-scale projects, including infrastructure and natural resource development. The Bank conducts environmental and social risk assessment based on the Principles prior to the loan decision.

Regarding climate change risks, in addition to examining technically and economically feasible options that contribute to reducing GHG emissions, the Bank evaluates status of project developers' measures to identify and manage physical and transition risks in line with the TCFD recommendations.

The Equator Principles

Climate Change-Related Responses Required under the Equator Principles

Applicable projects	Responses required under the Equator Principles
Among the risk categories used in the Equator Principles, all Category A projects, and as appropriate, Category B ^(note) projects	<ul style="list-style-type: none"> Identification of physical risks and measures to manage those risks
Projects with GHG emissions (Scope 1 and Scope 2), during its operational phase, of more than 100,000 tonnes of carbon dioxide equivalent per year	<ul style="list-style-type: none"> Alternatives Analysis Assessment of transition risks Annual public reporting of GHG emission levels

(note) Category A refers to projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible, or unprecedented. Category B refers to projects with potential limited environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

Example of Climate Change Risk Assessment

In the environmental and social risk assessment prior to the loan decision, the Bank evaluates the project proponent's countermeasures on climate change and confirms that they meet the requirements for climate change risk assessment in accordance with the Equator Principles. The followings are examples of physical and transition risk assessments of individual projects in which banks conducted environmental and social risk assessments.

Physical Risk (offshore wind project)

The project was evaluated using the climate change prediction scenarios published by the United Nations Intergovernmental Panel on Climate Change (IPCC). Strong winds caused by typhoons and flooding caused by rising sea levels were identified as the main physical risks, and it was confirmed that the design of the facilities has been implemented to deal with these risks.

Physical risks identified

- Acute risks:
Strong winds, floods, and storm surges caused by typhoons
- Chronic risks:
Inundation and coastal erosion associated with rising sea levels

Major actions taken by the project proponent

- Use of turbines designed to sustain high-speed wind conditions
- Elevation of onshore facilities (such as substations) to avoid impacts by storm surges and inundation
- Construction of onshore facilities away from the coastline to avoid impacts by coastal erosion

Transition Risk (Gas and Diesel Combined Thermal Power Generation Project)

The project aims to replace an aged power plant with a state-of-the-art thermal power plant in order to support electricity demand on remote islands. Policy and regulatory risks were identified as the primary transition risks, and it was confirmed that the project will be consistent with the country's carbon neutrality goals and contributes to its energy transition.

Transition risks identified

- Policy and regulatory risks
- Increased operational costs associated with the introduction of carbon pricing and disclosure of GHG emissions

Major actions taken by the project proponent

- Adoption of the latest low carbon emission technologies
- Implementation of cash flow plan that anticipates an increase in operating costs

Metrics and Targets

Key Metrics and Targets

Primary Initiative Items	Metrics	Targets	Results
Net Zero GHG from the Financed Portfolio	Scope3 (Emissions through financed portfolio)	Net zero by 2050	—
	Power sector: Emission intensity (gCO ₂ e/kWh)	Reduce the CO ₂ emissions intensity to the range of 156 to 192gCO ₂ e/kWh by 2030 349gCO ₂ e/kWh (2019)	—
	Oil & Gas Sector: Absolute GHG emissions (MtCO ₂ e)	Reduce the absolute volume of CO ₂ emissions by 15% to 28% by the end of 2030 from the 2019 level 83MtCO ₂ e (2019)	—
Net Zero GHG from Own Operations	Scope 1 and 2 emissions	Net zero by 2030	(FY 2020) 343 thousand tCO ₂ (FY 2021 based on preliminary figures) 249 thousand tCO ₂
Decarbonization through Financial Services	Sustainable Finance Target and Progress	Cumulative total of 35 trillion yen (including 18 trillion yen in the environmental sector) by FY 2030	Cumulative total of 14.5 trillion yen (including 5.4 trillion yen in the environmental sector) by FY 2021
	Setting Targets for Reducing CO ₂ Emissions Through Renewable Energy Project Financing	Reduction by 70 million tons (cumulative total from FY 2019 to FY 2030)	Reduction by 26.83 million tons (cumulative total from FY 2019 to FY 2021)
	Credit amounts related to coal-fired power generation project finance	Reduce the balance 50% by the end of FY 2030 from the FY 2019 level and reduce it to zero by FY 2040	US\$2,955 million (note1,2) (as of the end of FY 2021)
	Corporate finance for coal-fired power generation	Reduce the balance of such financing to zero by FY 2040	Approx. ¥90.0 billion (note2,3) (as of the end of FY 2021)

(note1) As of the end of FY2019: US\$3,580 million

(note2) Does not include projects that contribute to the transition to a decarbonized society in accordance with the MUFG Environmental and Social Policy Framework

(note3) As of the end of FY2020: Approx. ¥120.0 billion

Other disclosure items:

- Carbon-related assets (credit amounts)
- CO₂ emission intensity of project finance for power generation business
- Basic Unit of Electricity Use

Net Zero GHG Emissions from the Financed Portfolio (MUFG's Scope 3 Emissions)

Metric	Power sector: Emission intensity (gCO ₂ e/kWh) Oil & Gas Sector: Absolute GHG emissions (MtCO ₂ e)
Target	Net zero GHG emissions from our financed portfolio by 2050 Power Sector: 156-192gCO ₂ e/kWh (2030), 349gCO ₂ e/kWh (2019) Oil & Gas Sector: Base year 2019 Reduction rate 15%-28% (2030), 83MtCO ₂ e (2019)

Net Zero GHG Emissions from Own Operations (Scope 1 and 2 emissions from MUFG)

Global Group-Wide

Metric	Scope 1 and Scope 2 Emissions
Target	Achieve net-zero GHG emissions from MUFG in our own operations by 2030
Results	FY 2020: Scope 1 and Scope 2 emissions totaled to 343,000 tCO ₂ e. FY 2021: Scope 1 and Scope 2 emissions (preliminary figures) totaled to 249,000 tCO ₂ e.

Please see [Strategy](#) for details.

5 Companies in Japan

Results	FY 2021: Scope 1: 13,567 tCO ₂ , Scope 2: 94,185 tCO ₂ (note1,2) FY 2021: The Bank, the Trust Bank, and the Securities (In June 2022, all of MUFG's domestic consolidated subsidiaries, including NICOS and ACOM, have completed the conversion to 100% renewable energy for their contracted electricity.)
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CO₂排出量推移/Changes in CO₂ Emission

計測項目/Item			単位/Unit	FY2017	FY2018	FY2019	FY2020	FY2021
CO ₂ 排出量 CO ₂ emission	Scope1	直接的なCO ₂ 排出量 Direct CO ₂ emissions	t-CO ₂	11,836	10,795	9,963	9,560	13,567
	Scope2	間接的なCO ₂ 排出量 Indirect CO ₂ emissions (電力：マーケット基準 Electricity：market-based)	t-CO ₂	202,004	186,870	184,020	162,159	94,185
		間接的なCO ₂ 排出量 Indirect CO ₂ emissions (電力：ロケーション基準 Electricity: location-based)	t-CO ₂	—	—	—	—	167,614
	Scope3	その他関連のある 間接的なCO ₂ 排出量 Other indirect CO ₂ Emissions	t-CO ₂	10,598	10,309	7,959	3,526	74
	CDMクレジット等によるオフセット Offsets using CDM credits		t-CO ₂	0	0	0	0	0
	合計 Total	電力：マーケット基準 Electricity: market-based	t-CO ₂	224,439	207,973	201,942	175,244	107,825
		電力：ロケーション基準 Electricity: location-based	t-CO ₂	—	—	—	—	181,254
CO ₂ 排出原単位（床面積あたりCO ₂ 排出量） Basic unit of CO ₂ emission (CO ₂ emissions per unit of floor space)	電力：マーケット基準 Electricity：market-based	t-CO ₂ /1,000m ²	103	96	93	84	52	
	電力：ロケーション基準 Electricity: location-based	t-CO ₂ /1,000m ²	—	—	—	—	88	
電力使用量原単位（床面積あたり電気使用量） Basic unit of electricity use			kWh/m ²	183	175	182	177	173

(note1) Scope of aggregation: MUFG, MUFG Bank, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Morgan Stanley Securities, and Mitsubishi UFJ NICOS.

(note2) Electricity is calculated based on market standards.

Sustainable Finance Target and Progress

Metric	Cumulative execution amount of sustainable finance
Target	Cumulative total of 35 trillion yen (including 18 trillion yen in the environmental sector) by FY2030

We have set our accumulated sustainable finance amount as of fiscal year 2030 as a sustainable finance target for solving environmental and social issues.

Our accumulated sustainable finance amount as of fiscal year 2020 was ¥7.9 trillion (of which, ¥3.6 trillion is environmental area), and was proceeding steadily towards this target. In April 2021, we raised our target from ¥20 trillion to ¥35 trillion.

In FY2021, the figure was 6.5 trillion yen (of which 1.8 trillion yen is for the environmental sector), an increase of 1.9 trillion yen year-on-year (0.1 trillion yen increase for the environmental sector). This is mainly due to the strong performance of SLL in other sectors, mainly overseas.

Progress in Sustainable Finance Goals

【Unit: trillion yen】

Category		FY2019 results	FY2020 results	FY2021 results	Cumulative	FY2030 goals
Environmental	Project finances, etc. for renewable energy and environment-related businesses	0.5	0.6	0.6	5.4	18.0
	Underwriting and sales of Green Bonds.	0.5	0.5	0.5		
	Corporate loan origination for businesses contributing to climate change mitigation and adaptation, etc.	0.2	0.3	0.3		
	Financial advisory for businesses that contribute to climate change mitigation and adaptation	0.8	0.3	0.3		
	Others	0.0	0.0	0.2		
Social	Finance for social infrastructure development and regional vitalization, etc.	1.0	1.3	1.6	3.9	17.0
Others	Finance for solutions of various environmental and social issues.	0.6	1.4	3.2	5.2	
Total		3.5	4.4	6.5	14.5	35.0

(note) Totals may not add up due to rounding.

Definition of Sustainable Finance

The term "Sustainable Finance" refers to the provision of finance for the following businesses (including loans, equity investment in funds, arrangement of project finance and syndicated loans, underwriting of equities and bonds, and financial advisory services) with reference to the relevant external standards (e.g. the Green Loan Principles, Green Bond Principles, and Social Bond Principles).

Environmental Area

- Businesses contributing to the adaptation to and moderation of climate change, including renewable energy, energy efficiency improvement, and green buildings (e.g. arrangement of loans and project finance for renewable energy projects, underwriting and distribution of green bonds).

Social Area

- Businesses contributing to the development of startups, job creation, and poverty alleviation
- Businesses contributing to the energizing of local communities and regional revitalization
- Fundamental service businesses, including those involved in basic infrastructure such as public transport, waterworks, and airports, and essential services such as hospitals, schools and police. (e.g. Emerging Industrial Technology Support Program, loans for regional revitalization projects such as MUFG Regional Revitalization Fund, arrangement of loans and project finance for public infrastructure, underwriting and distribution of social bonds).

Setting Targets for Reducing CO₂ Emissions Through Renewable Energy Project Finance

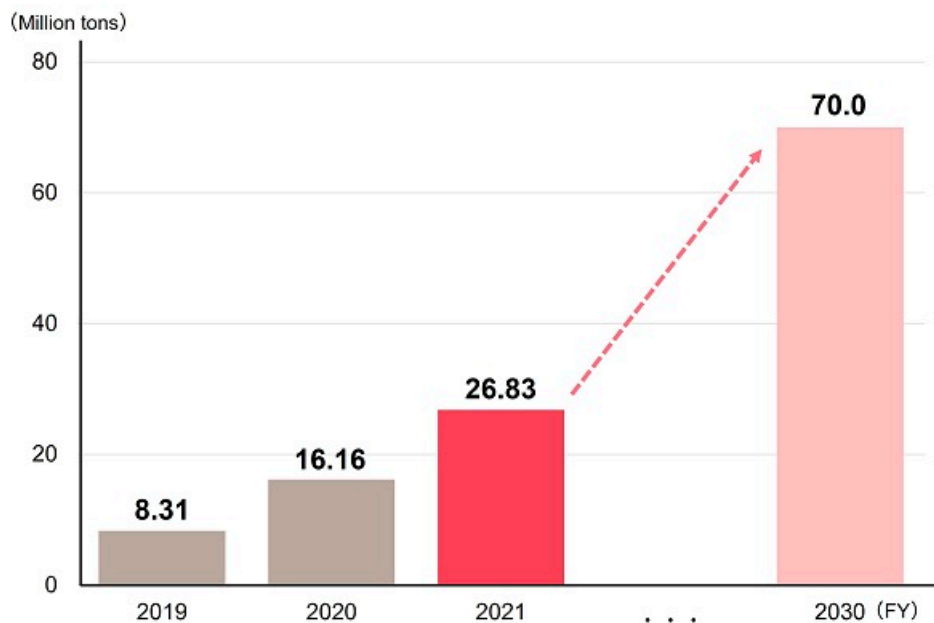
Metric	The amount of CO ₂ to be reduced through renewable energy project finance
Target	Reduction by 70 million tons (cumulative total from FY2019 to FY2030)
Results	Reduction by 26.83 million tons (cumulative total from FY2019 to FY2021)

As part of the effort to quantitatively identify and disclose the environmental impact of our financing, we have set a target to reduce CO₂ emissions by a cumulative total of 70 million tons^(note1) between FY2019 and FY2030 through project financing for renewable energy projects. This is equivalent to the annual CO₂ emissions from about half the households in Japan^(note2).

In FY 2021, we achieved an emission reduction of 10.68 million tCO₂ mainly due to the accumulation of financing for wind power plants and large-scale financing for solar power plants.

(note1) Cumulative total of CO₂ reduction effect for one year, calculated from the amount of electricity generated by renewable energy projects underwritten in each fiscal year, facility utilization rates, and emission factors. The values take into account MUFG's contribution in the underwriting phase.

(note2) Prepared by MUFG based on a survey by the Ministry of the Environment entitled Statistical Survey of CO₂ Emissions from the Household Sector (Household CO₂ Statistics)



Status of Carbon Related Assets (Credit Amounts)

Metric	Carbon-related assets (credit amounts)
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Based on the TCFD's recommendations, the status of credit balance^(note1) for carbon-related assets is newly disclosed in order to quantify the risks related to climate change.

The total amount at the end of FY 2021 is 60.9 trillion yen^(note2) (Energy: 8.2 trillion yen, Utilities: 8.3 trillion yen, Transportation: 12.2 trillion yen, Materials and Buildings: 27.8 trillion yen, Agriculture, Food, and Forest products: 4.4 trillion yen).

Carbon-related assets (credit amounts)

[Unit: trillion yen]

	Ccredit amounts* at the end of FY2021	Ratio
Energy	8.2	5.1%
Oil & gas	7.8	4.8%
Coal	0.3	0.2%
Utilities	8.3	5.1%
Electricity	6.8	4.2%
Coal-fired power	1.2	0.7%
Gas-fired power, power transmission and distribution, etc.	5.6	3.5%
Gas supply etc.	1.5	0.9%
Transport	12.2	7.6%
Air cargo	0.7	0.4%
Passenger cargo	0.9	0.6%
Marine transport	1.6	1.0%
Rail transport	1.7	1.1%
Truck service	2.0	1.2%
Automobile and parts	5.3	3.3%
Material and building	27.8	17.2%
Metals and mining	4.1	2.5%
Chemical	4.6	2.9%
Building materials	0.6	0.4%
Capital goods	6.8	4.2%
Real estate management and development	11.7	7.3%
Agriculture, foods, forestry products	4.4	2.7%
Beverage	1.0	0.6%
Agriculture	0.3	0.2%
Processed food, meet	2.2	1.4%
Paper/Forestry products	0.9	0.6%
Carbon-related assets	60.9	37.8%
All sector total	161.3	100.0%

(note1) Total of loans, trade finance, letter of credit & guarantees and undrawn commitment facility, etc.

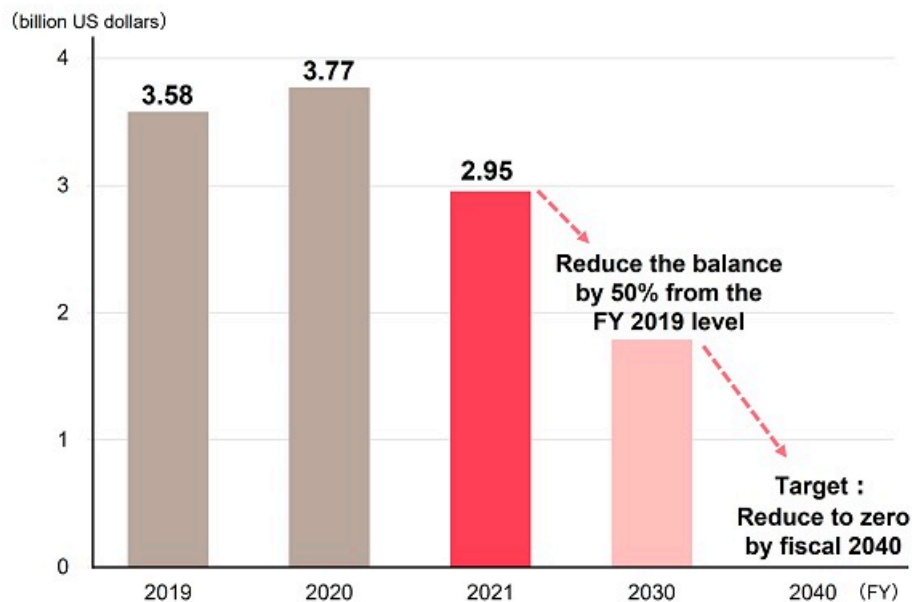
(note2) Based on the revision of the TCFD Recommendations in October 2021, the scope has been expanded to include transportation, materials and buildings, and agriculture, food, and forest products, in addition to conventional energy and utilities. Credit to renewable power generation is exclude from credit amount related to the utility sector . The total includes partner banks (MUFG Union Bank, Krungsri (Bank of Ayudhya), and Bank Danamon). Sector classification based on the primary business (largest sales) of the borrower.

(note3) Excluding interbank transactions, credit to government agencies and central banks, etc.

Credit Amounts Related to Coal-Fired Power Generation - Project Finance-

Metric	Credit amount related to coal-fired power generation —Project finance (balance of lending)
Target	Reduce the balance by 50% by the end of FY 2030 from the FY 2019 level and reduce it to zero by FY 2040 ^(note)
Results	US\$2,955 million (as of the end of FY 2021)

It is outlined in the MUFG Environmental and Social Policy Framework not to provide financing to new coal-fired power generation projects in principle. MUFG have set a target of reducing the balance of financing to coal-fired power generation projects by 50% from FY2019 by FY2030, and reducing it to zero by FY2040. Actual results at the end of the current fiscal year decreased by \$819 million compared to the end of the previous fiscal year mainly due to repayment of individual projects (including contract repayments) and decrease in valuation of the yen-denominated balance caused by the depreciation of the yen.



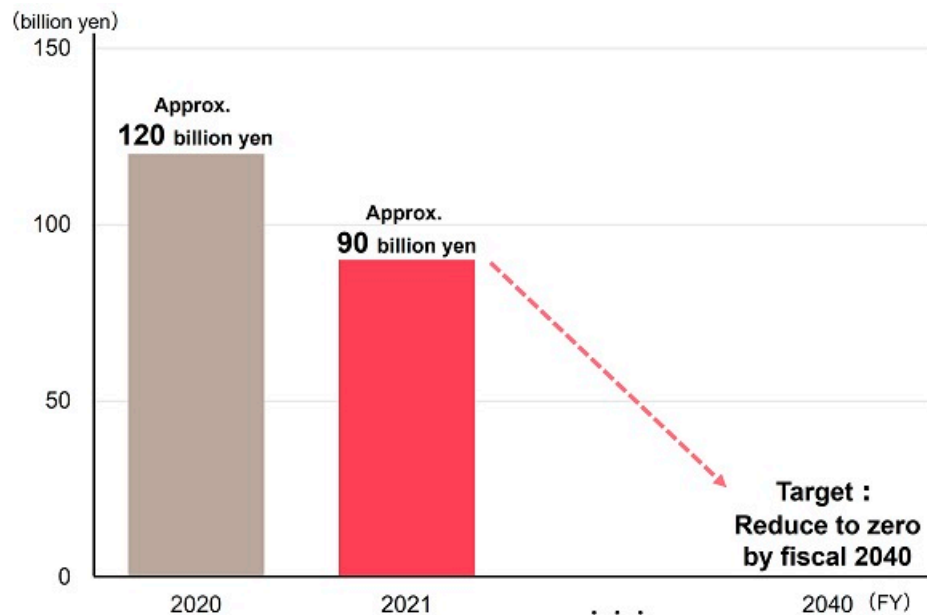
(note) Projects that contribute to the transition toward a decarbonized society are exceptional following the MUFG Environmental and Social Policy Framework.

Credit Related to Coal-fired Power Generation - Corporate Finance -

Metric	Corporate finance for coal-fired power generation (credit amounts)
Target	Reduce the credit balance to zero by FY2040 (note)
Results	Approx. 90 billion yen (as of the end of FY2021)

In April 2022, we set a target to reduce to zero the balance of financing to coal-fired power generation projects by FY2040.

We will continue to promote investments and loans for green, transition, and innovation through engagement (dialogue) aimed to help customers decarbonize who are operating coal-fired thermal power generation.



(note) Projects that contribute to the transition toward a decarbonized society are exceptional following the MUFG Environmental and Social Policy Framework.

Environmental Impacts of Project Financing for Power Sector Projects

Metric	CO ₂ emission intensity of project finance for power sector projects (note)
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The purpose of this calculation is to measure the environmental impact of project finance for power sector projects. The scope includes fossil fuel (coal, oil, and gas) thermal power generation and renewable energy projects.

(note) The intensity at the end of each fiscal year is calculated only from the project finance implemented in the relevant fiscal year.

[Unit : t-CO₂/MWh]

End of FY 2017	End of FY 2018	End of FY 2019	End of FY 2020	End of FY 2021
0.410	0.368	0.385	0.242	0.231

Basic Unit of Electricity Use

Metric	Basic unit of electricity use (electricity/ total floor space)
Target	Reductions by 10.5% and 19.0% of the 2009 level by FY2020 and FY2030 respectively
Results	FY2021: Reductions by 20.0% of the 2009 level

As part of its efforts to reduce environmental impacts, the Bank has set targets for FY2020 and FY2030 to reduce the energy intensity index.

In FY2021, we achieved our target for FY2030 with 20.0% less energy consumption comparing to FY2009. For the FY2030 target, we will continue to promote further reduction of environmental impact by setting higher targets and expanding the scope of the target within the Group.

Climate Alignment of Ship Finance Portfolio on an Annual Basis - the Poseidon Principles-

In March 2021, the Bank signed and has participated in the Poseidon Principles.

The Principles aim to contribute financially to the maritime industry's endeavor to tackle climate change in order to achieve the GHG emission reduction targets set by the International Maritime Organization (IMO) and its strategic goal.

For FY2022, as a signatory, the Bank will calculate the overall climate alignment of a shipping finance portfolio based on annual CO₂ emissions data for each vessel as of December 31, 2021 and submit the result to the Poseidon Principles Association. The Bank will publish the result after the Association publishes the results of signatories. After the first disclosure, the Bank will publish the result annually.

Assets, Operations, etc. that are Impacted by Transition Risks and Physical Risks

For assets and businesses that are impacted by transition risks and physical risks, MUFG conducts scenario analysis for those risks. Please refer to the [Strategy](#) page for more details.

Executive Compensation Commensurate with Climate Change Response

Please refer to the [Governance](#) page for more details on executive compensation commensurate with climate change measures.

Future Action Plan

MUFG will continue its efforts to achieve net-zero GHG emissions from its investment and financing portfolio by 2050, as committed in the MUFG Carbon Neutrality Declaration, and will lead the way in addressing climate change, one of the most serious issues that the world faces.

Furthermore, based on the TCFD recommendations, MUFG will continue to address risks and opportunities related to climate change under the supervision of the Board of Directors and disclose the status of such efforts in a timely, appropriate, and proactive manner.

Action Plan for Initiatives to Address Climate Change

Recommended disclosure items	Action Plan (during FY2022)
Governance	<ul style="list-style-type: none"> • The Sustainability Committee deliberates the status of initiatives to address climate change, issues, information disclosure, etc., based on the TCFD recommendations, and then reports to the Executive Committee, which in turn reports to the Board of Directors where the matters are reviewed. • Educational sessions for outside directors on initiatives aimed at achieving carbon neutrality. • Study sessions for management who evaluates and manages risks and opportunities related to climate change, on responses to social issues such as biodiversity and human rights, as well as on responses to climate change.
Strategy	<ul style="list-style-type: none"> • Materialization and promotion of the MUFG Carbon Neutrality Declaration. - Additional disclosure of sector-specific interim targets for 2030 toward net zero of financed portfolios by 2050. - Roadmap toward net zero emissions by 2030. • Deeper engagement and provision of a variety of solutions based on engagement. • Expansion of sectors for scenario analysis.
Risk management	<ul style="list-style-type: none"> • Continuous revision of the finance policy (MUFG Environmental and Social Policy Framework). • Continuous studies on the establishment, maintenance, and management of climate change-related risk management systems, and ways to reflect them in the credit process.
Metrics and Targets	<ul style="list-style-type: none"> • Additional disclosure of interim targets by sector for Scope 3 (GHG emissions produced through financing). • For Scope 1 and 2 (GHG emissions produced by the MUFG Group), global emissions aggregation and disclosure, and implementation of GHG reduction measures such as switching to renewable energy.

Responses to Climate Change Measures as an Asset Manager

Responses to TCFD as an Asset Manager

Asset management companies under the MUFG umbrella are endorsing TCFD as asset managers and working to analyze the status of the investees' response to climate change and assess their impact through the management of the portfolios they manage under contract.

The Trust Bank disclosed information about the management of the portfolios it manages in line with the TCFD's recommendations for disclosure under Governance, Strategy, Risk Management, and Metrics and Targets regarding climate-related risks and opportunities. By proactively disclosing climate change-related information, we will help our clients understand the status of their portfolios and encourage the companies in which we invest to take action on climate change.

Greenhouse Gas Emissions-Related Indicators for the Portfolio

MUFG calculates and evaluates greenhouse gas emission-related indicators (total greenhouse gas emissions, carbon footprint, and weighted average carbon emission factors) for measuring and managing climate change related risks and opportunities in our portfolios of equities and bonds.

Indicators related to greenhouse gas emission are calculated using a data collection and analysis method via Institutional Shareholder Services (ISS). The analysis of total annual GHG emissions (Scope1 and Scope2) for all investees, including MUFG AM^(note) and First Sentier Investors, confirms that the total annual GHG emissions will be 22.4 million t-CO₂e (as of March 31, 2022).

(note) The Trust and its subsidiaries, Mitsubishi UFJ International Investment Trust, M.U. Investment Management, Inc. Mitsubishi UFJ Asset Management (UK) Ltd.

Total carbon emissions (Scope 1 to 2, million t-CO ₂ e)	Carbon footprint (t-CO ₂ e/million USD)	Weighted average carbon intensity (t-CO ₂ e/million USD)
22,442	61.63	148.98

Indicators Related to the Amount of Greenhouse Gas Emissions

- Total carbon emissions: Total amount of greenhouse emissions related to the portfolio
- Carbon footprint: Total greenhouse gas emissions divided by the market value of the portfolio
- Weighted average carbon intensity (WACI): Weighted average of emissions per unit of sales of the investee company according to the composition of the portfolio

Understanding of Climate Change Risks through Analysis

Scenario Analysis

MUFG used ISS's analysis method by Sustainable Development Scenario (SDS)^(note1) based on the Paris Agreement (to keep the temperature rise well below 2°C and continue efforts to limit it to 1.5°C) announced by the IEA^(note2) in 2019 to forecast future trends in total greenhouse gas emissions reductions up to 2050 in the investee companies in the portfolio targeting equities and bonds^(note3).

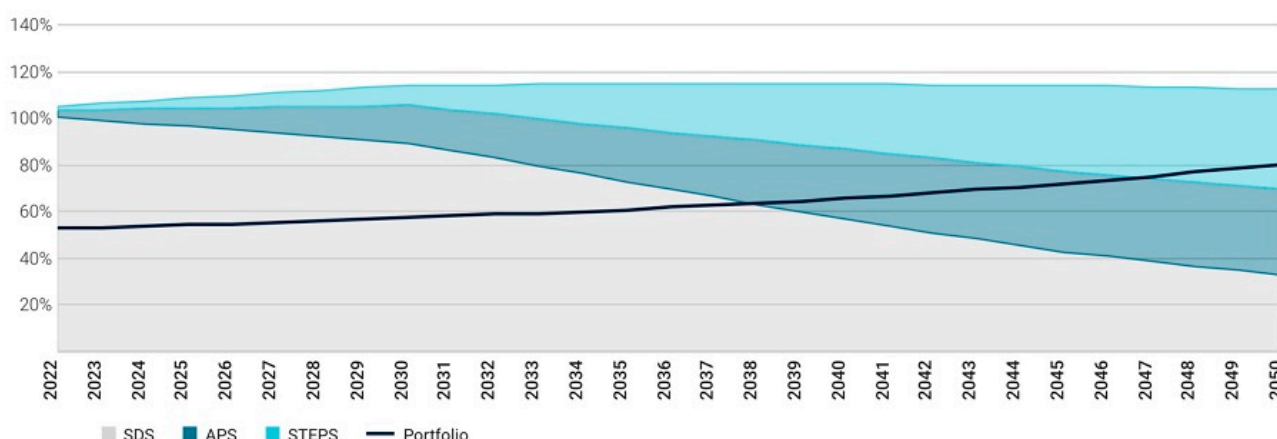
As a result of the analysis, MUFG has projected the transition of total greenhouse gas emissions for a single portfolio of assets, and the companies in our portfolio currently account for approximately 60% of allowable greenhouse gas emissions and are expected to exceed the SDS by 2038. MUFG believes that, based on the results of its analysis, it is important to encourage portfolio companies to limit the risk of transition in the medium to long term.

(note1) IEA: International Energy Agency

(note2) SDS (Sustainable Development Scenario): A scenario in which global warming policies and investments are implemented to achieve the Paris Agreement, and progress is made toward achieving the SDGs and other sustainable development goals.

(note3) The analysis covers all industries except fossil fuel producers: Scope1- 2, fossil fuel producers: Scope3, electricity: Scope1

Portfolio greenhouse gas Emission Pathway

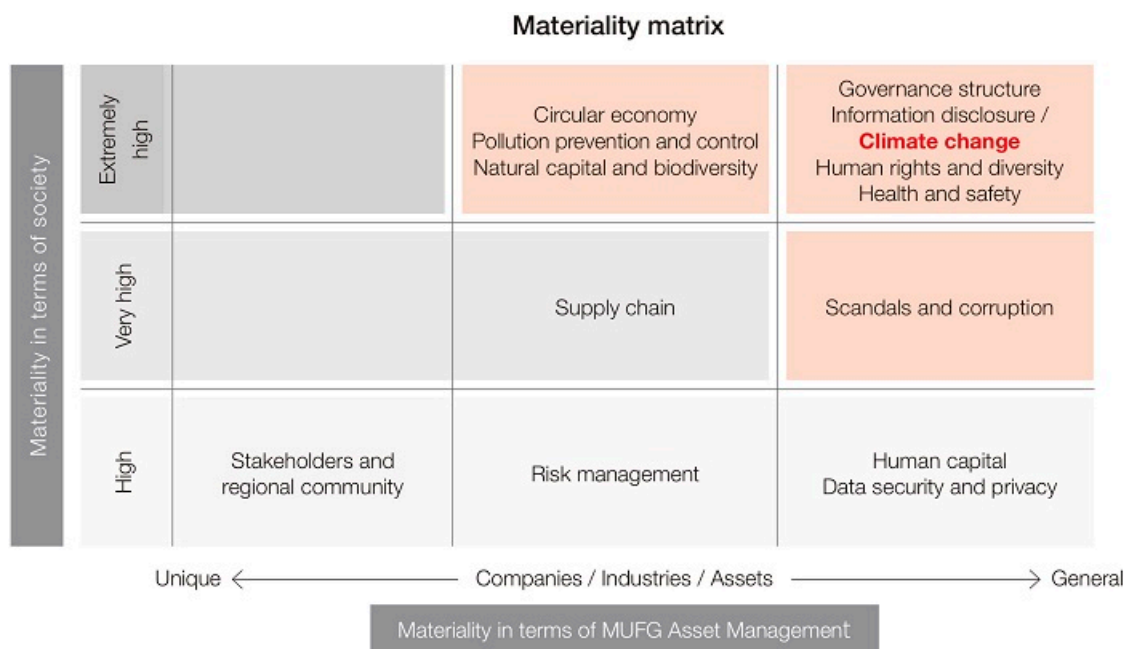


Initiatives for Responding to Climate Change as an Asset Management Company

MUFG recognizes the risk that climate change will cause a significant impact on society and the economy, which in turn will damage the value of our clients' portfolios. On the other hand, we believe that the impact of climate change can serve as a major business opportunity if investee companies respond proactively. As an asset management company, we strive to improve our investment capabilities in light of the risks and opportunities that climate change brings to our portfolio. Meanwhile, we believe that we can contribute to the resolution of climate change issues by encouraging appropriate responses through discussions with investee companies and collaboration with other stakeholders.

Positioning Climate Change as a Material ESG Issue

In a materiality matrix, ESG issues on asset management are mapped from the perspective of materiality in terms of society and MUFG Asset Management. In this context, climate change has been positioned as one of the most significant issues. (We are the first Japanese asset management company to adopt a materiality matrix) Addressing climate change is essential for improving investment value. We will contribute to the smooth transition to a decarbonized society through engagement, etc. with our investees.



MUFG-AM is addressing climate change issues with a focus on the following four areas:

Engagement/Exercise of Voting Rights

It must be said that funding and recovery from investment alone will only have limited effect on GHG reduction in the real world. Through engagement (purposeful discussion with investees) and the exercise of voting rights, MUFG encourages individual investee companies to reduce their GHG emissions. We believe that this will lead to a smooth resolution of climate change issues and to a sustainable increase in investment value. MUFG engages in ESG issues from a perspective of sustainable value enhancement of investment.

We also participate in Climate Action 100+ (CA100+), a global investor initiative. CA100+ interacts with approximately 160 companies that emit large amounts of GHG to promote efforts to reduce emissions. As one of the lead investors, we lead engagement with target Japanese companies.

Managing Financial Products as a Response to Climate Change

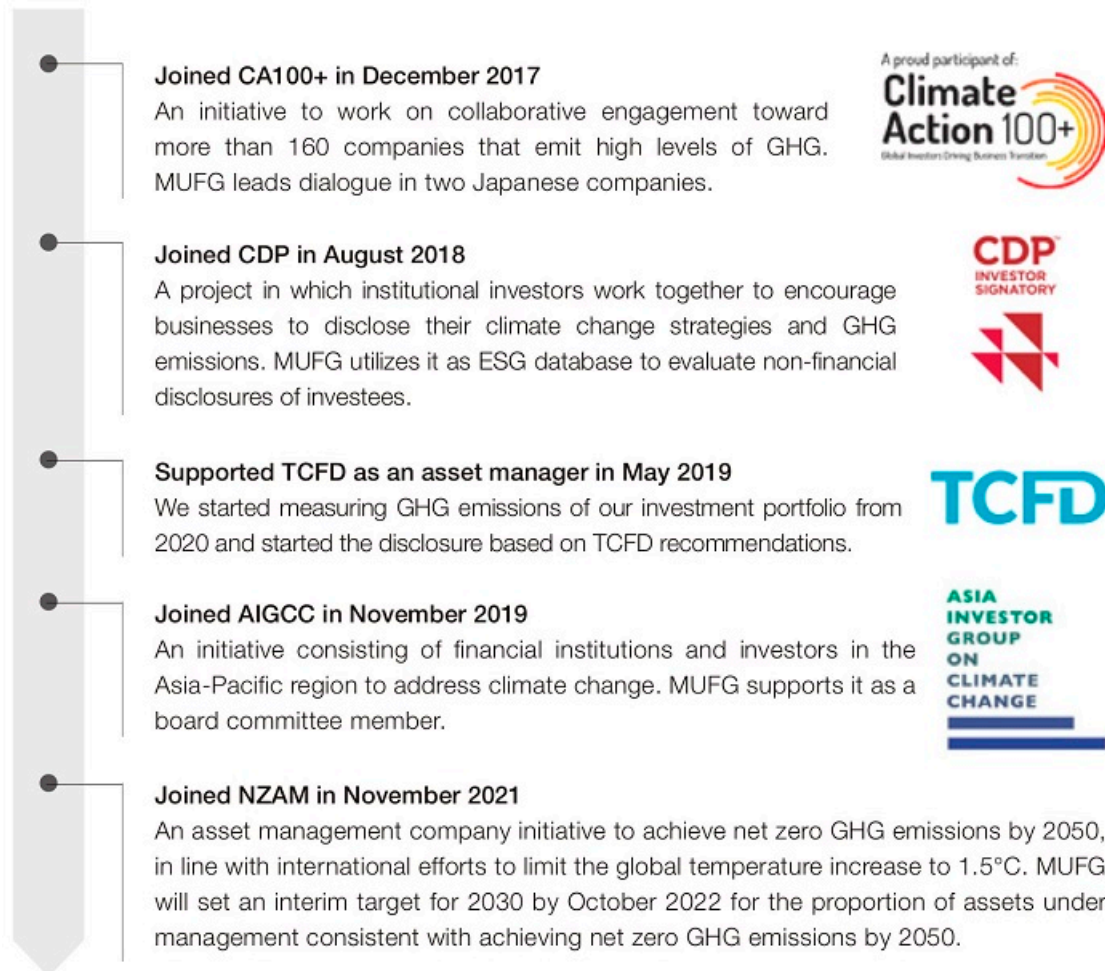
In principle, MUFG-AM has been devising ways to incorporate ESG perspectives into their investment process for all assets under management related to entrusted assets. With regard to the investment products that focus on addressing climate change issues, we provide investment products such as low-carbon index-linked passive management and active management that focus on sustainable energy to meet the needs of our customers.

Products offered (examples)

- MAXIS Carbon Efficient Japan Equity ETF
- iSTOXX MUTB Japan Low Carbon Risk 30 Index linked investment
- Green Technology Equity Fund (active/outsourced)
- Sustainable Energy Fund (active/outsourced)

Collaboration with Initiatives

The Net Zero Asset Managers (NZAM) initiative is a global initiative led by asset managers committed to solving climate change issues. NZAM aims to achieve net-zero GHG emissions from its investees by 2050, in order to achieve the goal agreed in the Paris Agreement (to keep the global average temperature rise below 2°C, compared to pre-Industrial Revolution and to keep it at 1.5°C). MUFG AM has been an active member since November 2021. Investment managers participating in NZAM are required to: A. cooperate with asset owners to support decarbonization; B. establish intermediate targets to achieve net zero emissions; and C. review interim targets every five years. Interim targets are scheduled to be announced in October 2022.



Surveys, Research, and Dissemination of Information on Sustainable Investment

In May 2021, MUFG and its asset management company, First Sentier Investors, jointly established the MUFG First Sentier Sustainable Investment Institute. The Institute communicates neutral and practical research information to institutional investors around the world with the aim of promoting sustainable investment, developing global capital markets, and solving ESG issues and contributing to the uproar of a sustainable and better world.



The Equator Principles

MUFG Bank supports its clients' environmental and social risk management and contributes toward a sustainable world by adoption of and adherence to the Equator Principles, a risk management framework for determining, assessing and managing environmental and social risks and impacts for large-scale projects.

Environmental and social impact assessment and risk management through the Equator Principles

MUFG Bank (the Bank) recognizes that large-scale infrastructure and natural resources development **projects** may have adverse impacts on local environment and surrounding communities.

The Bank, as a financier and/or a financial advisor, works in partnership with its clients to determine, assess and manage environmental and social risks and impacts related to the projects.

The Bank adopted the Equator Principles in 2005 to ensure that the projects it finances and advises on are developed in a socially responsible manner and establish good environmental management practices to minimize, mitigate, and/or offset environmental and social risks and impacts.

The Bank supports its clients' environmental and social risk management and contributes toward a sustainable world through implementation of the Equator Principles, a risk management framework for determining, assessing and managing environmental and social risks and impacts for large-scale projects.

About the Equator Principles

The Equator Principles is a financial industry benchmark for determining, assessing and managing environmental and social risk and impacts in projects, which is intended to serve as a common baseline and framework for all the financial institutions adopting the Equator Principles (EPFIs). EPFIs ensure that the projects they finance and advise on are developed in a manner that is socially responsible and reflects sound environmental management practices.

There are 134 EPFIs globally as of June 30th, 2022.

The most recent (fourth) version of Equator Principle was adopted officially in November 2019, and the Bank will start applying the fourth version of the Equator Principles to transactions which are mandated on or after July 1, 2020. The scope includes **Project Finance**, **Project Finance Advisory Services**, **Project-related Corporate Loans**, Bridge Loans, Project-Related **Refinance** and Project-Related **Acquisition Finance**.

EPFIs commit to implementing the Equator Principles in their internal environmental and social policies, procedures, and standards for financing projects. EPFIs will not provide loans to projects where the client will not, or is unable to, comply with the Equator Principles.

(Please refer to **The Equator Principles Association's official website** [□](#) for more details on the Equator Principles.)



Environmental and Social Risk Assessment

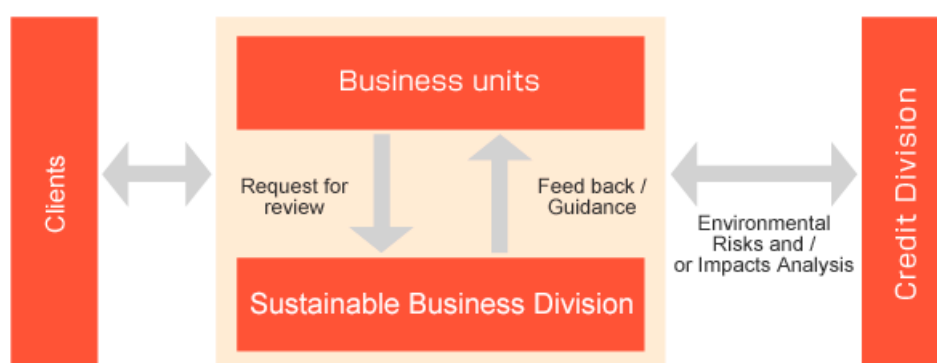
MUFG Bank confirms that environmental and social considerations have been taken into account by clients according to “Implementation Guidelines for the Equator Principles”.

[Implementation Guidelines for the Equator Principles \(PDF / 369KB\)](#)

Confirmation of Environmental and Social Considerations by Sustainable Business Division

At MUFG Bank, Sustainable Business Division is responsible for review and approval of project environmental and social considerations and other relevant activities.

<Environmental and Social Risk and Impact review structure>



Process for Confirmation of Environmental and Social Considerations

Principle 1 of The Equator Principles requires EPFIs to categorize projects proposed for financing based on the magnitude of their potential environmental and social risks and impacts. Clients are required to comply with environmental and social requirements in accordance with the assigned categories.

Principle 1	Definition of the Categories
Category A	Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented
Category B	Projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures
Category C	Projects with minimal or no adverse environmental and social risks and/or impacts

For example, a Category A project requires us to confirm whether the client complies with all the requirements stipulated in Equator Principles 2 through 10.

e.g. Requirements for Category A projects	
Principle 2 ^(*1)	Conduct an Environmental and Social Assessment , as appropriate, which includes assessments of potential adverse Human Rights impacts and climate change risks
Principle 3 ^(*2)	Confirmation of the compliance status of applicable environmental and social standards
Principle 4	Develop or maintain an Environmental and Social Management System(ESMS)
	Prepare an Environmental and Social Management Plan (ESMP) and, where necessary, an Equator Principles Action Plan(EPAP)
Principle 5 ^(*3)	Demonstrate effective stakeholder engagement with affected communities, workers and, where relevant, other stakeholders
Principle 6	Establish a grievance mechanism designed to receive and facilitate resolution of concerns and grievances from Affected Communities
Principle 7	Engage an Independent Environmental and Social Consultant to carry out an independent review of the Assessment Documentation
Principle 8	Incorporate covenants linked to compliance with the Equator Principles
Principle 9	Engage an Independent Environmental and Social Consultant to verify monitoring information to ensure ongoing monitoring and reporting after Financial Close and over the life of the loan
Principle 10	Disclose online, at a minimum, a summary of the ESIA that includes a summary of human rights and climate change risks and impacts when relevant
	Publicly report GHG emission levels (combined Scope 1 and Scope 2 Emissions, and, if appropriate, the GHG efficiency ratio) during the operational phase for projects emitting over 100,000 tonnes of CO2 equivalent annually Encourage clients to share commercially non-sensitive project-specific biodiversity data with the Global Biodiversity Information Facility (GBIF) and other relevant national and global data repositories

(*1)

Principle 2 of the Equator Principles requires that a client refer to **the United Nations Guiding Principles on Business and Human Rights (UNGPs)** when assessing human rights risks and impacts. Also, the Climate Change Risk Assessment is aligned with **Climate Physical Risk** and **Climate Transition Risk** categories of **the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD)**.

A Climate Change Risk Assessment is required:

- For all Category A and, as appropriate, Category B Projects⁴, and will include consideration of relevant physical risks.
- For all Projects, when combined Scope 1 and Scope 2 Emissions are expected to be more than 100,000 tonnes of CO2 equivalent annually. Consideration must be given to relevant Climate Transition Risks and an alternatives analysis completed which evaluates lower Greenhouse Gas (GHG) intensive alternatives.

(*2)

Principle 3 of the Equator Principles introduces two groups of project host countries: “**Designated Countries**” and “Non-Designated Countries”. The applicable environmental and social standards differ according to the group the project host country belongs to.

- For Designated Countries, the assessment process evaluates compliance with relevant host country laws,

regulations, and permits that pertain to environmental and social issues. In addition to the host country laws, EPFIs may evaluate the specific risks of the project to determine whether one or more of the IFC Performance Standards on Environmental and Social Sustainability (Performance Standards) could be used as guidance to address those risks.

- For Non-Designated Countries, besides evaluation of compliance with relevant host country laws, regulations, and permits that pertain to environmental and social issues, the assessment process evaluates compliance with the then applicable IFC Performance Standards and the World Bank Group Environmental, Health, and Safety Guidelines (EHS Guidelines).



(*3)

Principle 5 of the Equator Principles requires projects with the special circumstances defined in IFC Performance Standard 7 paragraphs 13-17 to engage a qualified independent consultant to evaluate the consultation process with Indigenous Peoples, and the outcomes of that process, against the requirements of host country laws and IFC Performance Standard 7.

Special circumstances defined in the IFC Performance Standard are;

- Projects with impacts on lands and natural resources subject to traditional ownership or under the customary use of Indigenous Peoples,
- Projects requiring the relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use,
- Projects with significant impacts on critical cultural heritage essential to the identity of Indigenous Peoples, or
- Projects using their cultural heritage for commercial purposes.

Please refer to [IFC website](#) for information on the IFC Performance Standards and the World Bank EHS Guidelines.

- [IFC Performance Standards](#) 
- [The World Bank EHS Guidelines](#) 

Site Visits

Sustainable Business Division conducts site visits, as appropriate, to gain firsthand knowledge that informs our assessment of social and environmental aspects of projects located throughout the world.



Example 1: Site Visit



Example 2: Site Visit

Financial Advisory Service Support

When MUFG Bank provides financial advisory services to clients seeking project finance, Sustainable Business Division works with clients, as appropriate, on the application of EP requirements from an early stage of the deal.

Education and Training

MUFG Bank conducts training for its employees with the objective of deepening their understanding of environmental and social considerations and promoting the philosophy and practices of EP.

The training is primarily targeted at employees in charge of project finance and credit. The Bank also utilizes internal communication measures to promote better understanding of social and environmental considerations by all employees.

The Bank also provides training for customers at their request.



Education and Training

Environmental and Social Consideration and Categorization Report

MUFG Bank (the “Bank”) discloses the numbers of the project finance transactions and the project-related corporate loans that achieved financial close during each fiscal year, and the number of the project finance advisory services where the Bank was mandated during the same period around September-end every year in “Environmental and social consideration and categorization report” in accordance with the Equator Principles and the Bank’s Implementation Guidelines for the Equator Principles.

The Bank categorizes the projects proposed for financing based on the magnitude of their potential environmental and social risks and impacts in accordance with the Bank’s Implementation Guidelines for the Equator Principles, referring to the International Finance Corporation (IFC)’s Performance Standards and World Bank Group Environmental, Health, and Safety Guidelines. Especially when assigning Category A to a project, the Bank categorizes the project in accordance with the definition of a Category A project in the Equator Principles referring as appropriate to other guidelines including OECD’s Common Approaches and relevant public institution’s guidelines.

[Environmental and Social Consideration and Categorization Report and Assurance Report FY2020](#)
 (PDF / 2.34MB)

Selected information assured by Deloitte Tohmatsu Sustainability Co., Ltd. is marked with (✓).

[Environmental and Social Consideration and Categorization Report and Assurance Report FY2021](#)
 (PDF / 2.45MB)

Selected information assured by Deloitte Tohmatsu Sustainability Co., Ltd. is marked with (✓).

Glossary of Terms



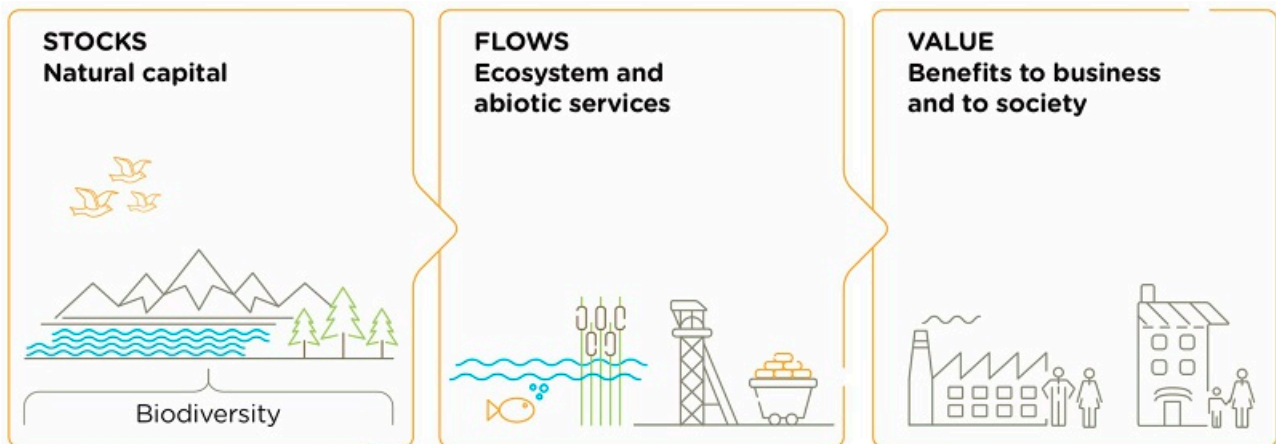
Natural Capital and Biodiversity

▼ Natural capital and Biodiversity ▼ Main Initiatives

Natural Capital and Biodiversity

Natural capital is a stock, composed of animals, plants, water, soil, and air, which provides various merits, including water, food, and minerals to businesses and society through ecosystem services such as water purification as well as climate control.

Biodiversity is the diversity of animals and plants that are part of natural capital, functioning to maintain the natural capital in a healthy and stable state through recovery from natural disasters such as floods and droughts, support for the carbon cycle, the water cycle and soil formation.



(Source : NATURAL CAPITAL PROTOCOL P.12)

Main Initiatives

MUFG Environmental Policy Statement, MUFG Environmental and Social Policy Framework

In MUFG Environmental Policy Statement and the MUFG Environmental and Social Policy Framework, MUFG has established the following policies:

MUFG Environmental Policy Statement

(extract) [Maintenance and protection of the biodiversity which supports our society is the foundation for the realization of a sustainable society. MUFG supports businesses that protect biodiversity through the provision of products and services. Each group company also takes appropriate measures to prevent negative impacts on biodiversity associated with our products and services.]

MUFG Environmental and Social Policy Framework

In light of the nature and severity of environmental and social risks or impacts, businesses that have a negative impact on Ramsar-designated wetlands, businesses that have a negative impact on UNESCO World Heritage sites, and businesses that violate the Convention on International Trade in Endangered Species of Wild fauna and Flora (Washington Convention) are defined as "Prohibited Transactions". In addition, as "Transactions of High Caution", we have identified businesses that have a negative impact on areas with high conservation value and sectors such as mining (coal), oil and gas, large-scale hydroelectric power generation, forestry, and palm oil. When considering financing, we check the implementation status of environmental and social considerations by our customers, including their impact on the ecosystem and how they are responding.

Initiatives

Endorsement of Taskforce on Nature-related Financial Disclosures (TNFD) Forum

The TNFD is an international initiative launched in June 2021 by the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), the World Wide Fund for Nature (WWF) and Global Canopy. TNFD aims to shift global financial flows toward nature-positive outcomes through disclosure of nature-related information by companies. The TNFD Forum is a stakeholder organization to provides information and technical support related to TNFD.

In February 2022, MUFG joined the TNFD Forum to promote initiatives for natural capital and biodiversity across the Group. We also participated in a meeting of the TNFD Consultation Group of Japan established in June 2022. In addition, referring to the LEAP approach^(note) presented in the framework beta version, we have started to analyze natural capital risks together with Mitsubishi UFJ Research and Consulting, a member of the forum. As a member of the forum, we will continue to actively participate in discussions to further contribute to the realization of a sustainable environment and society.

(note) LEAP approach: An approach proposed as a practical risk assessment method for natural capital and consists of four steps: Locate the contact point between the company and nature, Evaluate the impact and dependence on nature, Assess the risks and opportunities related to nature, and Prepare business strategies and disclosures according to those risks and opportunities.

30by30 Alliance for Biodiversity

The Alliance was established in April 2022 as a coalition of the willing to implement the various measures incorporated in the 30by30 Roadmap formulated by the Ministry of the Environment.

Alliance participants make efforts to directly secure conservation areas or support conservation activities towards achieving the 30by30 target and disseminate the progress of such efforts.

MUFG supports the purpose of the Alliance and has been participating in it since its launch.



Declaration of Biodiversity by Keidanren

MUFG endorses the Declaration of Biodiversity by Keidanren and Action Policy, as revised in October 2018. The Declaration of Biodiversity by Keidanren and Action Policy aim to realize a sustainable society through the creation of a society in harmony with nature. We are calling for the integration of business activities and environmental measures, which encompass a wide range of environmental activities, such as biodiversity conservation. MUFG will promote initiatives based on this concept.



Activities for Protecting Natural Capital and Biodiversity

MUFG Pledges Support to Promote Cyclic Utilization of Forests

In recent years, the abandonment of artificial forests planted for timber production has become a serious social issue. There is a growing need to promote the cyclic utilization of forest resources, in which trees are planted, grown, harvested, used and planted again. MUFG has so far undertaken a number of tree-planting projects aimed at preserving and passing on the rich blessings of forests to the next generation. Our support for this research institute engaged in promoting cyclic utilization of forest resources is motivated by the same aim.

(note) A specified nonprofit organization that started as a volunteer organization in 2003. The Institute mainly works on forest creation and conservation, promoting the utilization of wood by companies (providing environmental and social contribution programs for employee participation), and field experience activities for mothers and children.



Peter Rabbit™ Forest for the Future

In March 2022, the Trust Bank entered a forest development agreement with Fujikawaguchiko Town (Yamanashi Prefecture), Kodachi Property District Management Association, and Fuji-Hokuroku Forest Association, and named a 1.67 ha mountain forest in Kodachi (Fujikawaguchiko Town, Minamitsuru County, Yamanashi Prefecture) "Peter Rabbit™ Forest for the Future," starting a new initiative for biodiversity conservation through forest and water resource conservation.

In May 2009, we entered a similar agreement for forest conservation in Nagatoro Town, Saitama Prefecture. Now, we are engaged in work to cultivate new forests.

Forests play a variety of roles, including conservation of land, conservation of ecosystems, and prevention of global warming. In particular, forests in water source areas play an important role in the stable supply of safe and high-quality water by performing so-called water source rearing functions such as storing water resources and purifying water quality.

We believe that it is important for all officers and employees to continue to care for forests and maintain healthy forests.



ACOM no Mori (ACOM's Forest)

ACOM conducts forest conservation activities in Kanagawa and Osaka prefectures, where the company's contact centers are located, in order to contribute to environmental conservation and to foster an awareness of employee participation in social contribution and an interest in the environment.



Mangrove Reforestation Activity

Mangrove forests are priceless resources of marine and coastal ecosystems, and indispensable for the economic, social, and environmental sustainability. Planting mangrove trees will not only help build natural barriers against soil erosion, but also create nature study areas with great biodiversity worth conserving. Krungsri has been organized in collaboration with government agencies and provincial administrative authorities to continuously promote this reforestation activity since 2012. Bank Danamon has been actively engaged in mangrove reforestation activities as well, planting seeds in collaboration with local companies and authorities of Indonesia.

Krungsri : [Mangrove Reforestation Activity](#)

Bank Danamon : [2022 Danamon Peduli Environmental Care activity](#)



Contribution to the Preservation and Succession of Important Natural Value in Urban Areas

Located in Nishitokyo City, Tokyo, MUFG Park is a facility with abundant nature, sports facilities including tennis courts, and a community library (scheduled to open in 2023).

With a total area of approximately six hectares, MUFG Park also contributes to the preservation and succession of important natural value in an urban area.



Eco-friendly Mitsubishi UFJ Card

Mitsubishi UFJ NICOS issues environmentally friendly Mitsubishi UFJ Cards (with some exceptions) from signing up to issuing cards, bill statements, and point rewards. In addition to the use of PET-G materials for credit cards which do not emit chlorine when incinerated and application forms made of forest conservation paper, we offer a donation program, as a part of point reward program, to environmental conservation organizations engaged in forest maintenance and reforestation projects in Japan.

Preventing Extinction of Japanese Cranes, a National Natural Treasure of Japan

We engaged in activities to protect Japanese cranes, a national natural treasure of Japan and endangered species in Hokkaido as part of the MUFG SOUL^(note).

Activities included participation in local preservation activities, donating equipment used to videos to raise awareness at schools and local communities in Hokkaido and raising awareness at branches through posters that showcase the activity.

(note) MUFG SOUL – Turning passion into power for society –

MUFG provides funding for ideas for solving social issues that are planned by employees.

In fiscal 2021, more than 300 plans and ideas were gathered from employees, including support for children's cafeterias, which provide free or inexpensive meals to children, and orphanages, and contributions to community revitalization, and a total of more than 3,000 people participated in social contribution activities (100 million yen in total).

We will continue to contribute to the resolution of a wider range of social issues by addressing issues from the perspective of our employees.



Satoyama Environmental Conservation Project

As part of MUFG Soul activities, MUFG donated the cost of purchasing equipment for *satoyama* (village-vicinity mountains) maintenance to the Tonda Forest Conservation Society, an NGO that engages in *Satoyama* environmental conservation activities, and conducted the following activities.

[Major activities]

- Nature observation events (local citizens and children participated)
- Environmental conservation activities for *satoyama* (forest thinning, promenade maintenance, etc.)
- Workshops on SDGs and environmental issues



Reducing the Environmental Impacts of Our Business Activities

To reduce greenhouse gas (GHG) emissions and mitigate global warming, MUFG actively seeks to reduce environmental burdens related to our business activities.

Reducing Our Environmental Impacts of Business Activities

To reduce greenhouse gas (GHG) emissions and mitigate global warming, MUFG actively seeks reductions in CO₂ emissions from business activities and employee travel.

ESG Data

Environmental Accounting Information for Our Offices

MUFG announces the results of environmental accounting from FY 2009, as part of environmentally conscious business activities, for the quantitative management of environmental efforts.

Net Zero GHG from Own Operations

MUFG aims to achieve net-zero GHG emissions^(note1) in its own operations by 2030. In addition to our initiatives to reduce energy use through continued energy conservation, we will reduce our gasoline consumption by switching to electric vehicles (EVs) and promote the use of renewable energy sources for electricity to become net zero for GHG emissions by 2030. We will also work to establish and introduce raw green power^(note2) to directly contribute to an increase in renewable energy sources.

Overseas, while accumulating expertise from promoting domestic environmental initiatives and introducing renewable energy at our European business locations, we will accelerate implementing specific measures, taking into account the status of policies and systems to promote decarbonization in each country.

(note1) Scope1 and Scope2 in the GHG protocol.

(note2) Green power, generated from renewable energy sources such as wind, solar, and biomass (biological resources), is sent directly from the power plant to the consumer. Customers can use green power directly as electricity for their own use, rather than "deemed" to do so.

Disclosure Based on TCFD Recommendations

MUFG Bank (the Bank)

In accordance with laws and ordinances, each building is being equipped with energy-saving air-conditioning and lighting equipment, in our effort to reduce greenhouse gas emissions. Moreover, for buildings located in Tokyo, in accordance with Tokyo Metropolitan Government environmental protection laws, the Bank has obtained a third party inspection rating for greenhouse gas emissions, and has published its Plan for Global Warming Countermeasures.

- [\(HQ\) Plan for Global Warming Countermeasures \(Japanese\) \(PDF / 571KB\)](#)
- [\(Tama Business Center\) Plan for Global Warming Countermeasures \(Japanese\) \(PDF / 1.11MB\)](#)
- [\(Ikejiri Building\) Plan for Global Warming Countermeasures \(Japanese\) \(PDF / 823KB\)](#)

Mitsubishi UFJ Trust and Banking (the Trust Bank)

The Trust Bank is reducing energy consumption by installing energy-efficient lighting equipment and updating HVAC (heating, ventilation, and air-conditioning) equipment and transformer equipment at its main buildings and branches. The Trust Bank is also saving energy by increasing monitoring of energy consumption at some of its main buildings.

Mitsubishi UFJ Morgan Stanley Securities (the Securities Business)

With the Mejirodai Building having been designed and constructed to facilitate a high level of energy conservation, the Securities Business is putting efficient energy management into practice here, with a focus on the Tokyo Metropolitan Government's GHG reduction ordinance. In addition, the Securities Business is working to reduce the amount of energy used at each building it occupies.

Mitsubishi UFJ NICOS (NICOS)

At NICOS's Head Office in the Akihabara UDX Building, NICOS utilizes a "universal plan" office layout that places no pillars or dividers in a space of 140 square meters. This layout works to improve efficiency for air conditioning and lighting systems. NICOS also engages in other initiatives to conserve energy such as replacing existing lighting and office equipment with more energy-efficient ones.

Efforts to Establish Recycling-Based Society

Efforts to Reduce Plastic Waste

We recognize that regulations on single use plastics are being strengthened worldwide in light of growing international awareness of resource recycling, the worsening waste problem, and the conservation of marine and oceanic resources. With this recognition, MUFG is tackling the following issues.

1. Sorting and collection of used PET bottles
2. Implementation of cleanup and other activities as part of the community contribution activities at sales offices and other locations
3. Based on the target of a waste recycling rate of 90% or higher, implementation of efficient use of resources and reduce waste (FY2021 performance for the main building: 91.6%)
4. Provide information and support for initiatives led by plastic related customers using references describing trends and impacts of plastic regulations and business strategies based on the plastic regulations

Efforts to Reduce Waste

MUFG Bank

The Bank has set medium- to long-term targets for reducing waste and is working to achieve them.

Medium to long term plan	Establish a recycling rate of at least 90%.
FY2022 targets	Achieve a waste recycling rate of at least 90% at the headquarters buildings in Tokyo, Nagoya and Osaka.
FY2021 results	Head Office Tokyo Marunouchi Building: 91.6% Head Office Nagoya Building: 61.5% Head Office Osaka Building: 53.2%

Mitsubishi UFJ Trust and Banking

[Mitsubishi UFJ Trust and Banking \(in Japanese\)](#) 

Mitsubishi UFJ Morgan Stanley Securities

[Our Efforts toward the Environment](#) 

Krungsri (Bank of Ayudhya)

In 2018, Krungsri (Bank of Ayudhya) initiated the “Krungsri Zero Waste” project. This project aims to raise employee awareness of waste problems and promote efficient waste management for recycling and reducing landfill waste.

As part of this initiative, Krungsri organized activities to encourage ‘zero waste’ practice among employees such as waste management training sessions, campaigns for proper waste sorting, and campaigns against single-use plastics to reduce pollution and environmental problems stemming from plastic waste.

Another influential activity is Krungsri’s aims to achieve zero Refuse-Derived Fuel within 2022. By transforming certain non-recyclable wastes to fuel, the amount of waste which goes to landfill can be decreased further and will lead in realizing an effective and long-term solution to waste issues.

Protection of Resources

Water Resources

Krungsri (Bank of Ayudhya)

Krungsri established their ‘Policy for Environment, Resource, Occupational Health, and Safety’ to promote and support the environmental management and resource efficiency. The policy presents a guideline to determine the environmental protection and resource conservation measures, including those related to water consumption as below:

- Communicate and campaign about correct and efficient water consumption
- Stipulate appropriate water consumption time (e.g., watering plants, cleaning space in front of the building, etc.)
- Use water-saving and environmentally friendly sanitary wares
- Stipulate measures on wastewater reuse (e.g., wastewater treatment per stipulated standards and wastewater reuse for some activities)
- Log monthly water consumption

Paper Resources

MUFG Bank

In fiscal 2021, 100% of the total amount of paper purchased at the Bank headquarters and head office (including business store branches) as well as at system and administrative centers was recycled paper^(note).

(note) Recycled paper: Paper with a recycled pulp content of at least 70%.

Krungsri (Bank of Ayudhya) : Bringing old calendars back to life as Braille-printed materials

Since 2017, Krungsri (Bank of Ayudhya) has been actively involved in making good use of old desk calendars, by collecting and delivering them to agencies to produce Braille-printed instructional materials for the blind.

In 2021, Krungsri collected 9,680 calendars from employees and delivered them to the Foundation for the Blind in Thailand.

Respecting Human Rights

▼ Human Rights Management ▼ Human Rights Due Diligance ▼ Recourse for Human Rights Violations

Human Rights Management

The MUFG Way, which guides all of our activities, defines our Purpose as being "Committed to empowering a brighter future." Under this purpose, we are committed to protecting the diverse human rights of all stakeholders, including society and our customers.

MUFG also provides human rights awareness-raising trainings for executives and employees at all levels as part of our efforts to promote correct understanding and appreciation of human rights issues among all personnel, while encouraging our customers and suppliers to respect human rights based on our Human Rights Policy as well.

MUFG Human Rights Policy Statement

Mitsubishi UFJ Financial Group (MUFG) recognizes respect for human rights as an important issue to be addressed in the management of our business for the realization of our Purpose defined in the MUFG Way of being "Committed to empowering a brighter future." We are committed to endeavor to fulfill our responsibility to respect human rights across all of our operations.

MUFG's Board of Directors has established the MUFG Human Rights Policy to realize this responsibility. The MUFG Human Rights Policy is to be periodically reviewed to determine whether amendment is needed, and will be revised as necessary.

The MUFG Human Rights Policy stipulates that we respect international human rights standards such as the United Nations Guiding Principles on Business and Human Rights, and that our executives and employees will strive to respect the human rights of all people, while encouraging our customers and suppliers to respect human rights as well.

[Policies and Guidelines](#)

Human Rights Management Structure

The MUFG Human Rights Policy is determined and reviewed by MUFG's Board of Directors.

Policies on measures and initiatives concerning respect for human rights based on the MUFG Human Rights Policy and other important matters related to human rights are deliberated by the Sustainability Committee, which is chaired by the Group CSuO, a member of the Board of Directors. The results of the Sustainability Committee's deliberations are supervised by and reported to the Board of Directors.

Based on the discussions of the Board of Directors and the Sustainability Committee, resources necessary to ensure effective respect for and protection of human rights are allocated to relevant business groups as appropriate.

Structure for Raising Awareness of Human Rights and Activities at Group Companies

MUFG's Group companies recognize respect for human rights as an important issue for management to address, and in addition to having issued the MUFG Human Rights Policy Statement, are committed to increasing awareness of human rights by helping all employees fully understand the content of our Code of Conduct and Compliance Manual to fulfill our responsibility to respect human rights in all our operations.

The Bank, the Trust Bank, and the Securities have established the following human rights awareness promotion system. In addition to conducting training and other educational activities, employees promoting and in charge of educational activities in each division, office, and branch are implementing and promoting initiatives for respecting human rights throughout the MUFG Group. We are striving to promote correct understanding and appreciation of human rights issues among all executives and employees through means including conducting human rights awareness-raising training during the training sessions for new employees and for employees at all levels of our business.

	The Bank	The Trust Bank	The Securities
Human rights awareness-raising structure	Human Rights Promotion Committee	Human Rights Promotion Committee	HR Committee
Chairperson	Member of the Board of Directors, Senior Managing Executives Officer (Chief Human Resource Officer :CHRO)	Director and Managing Executive Officer (CHRO)	Managing Executive Officer (CHRO)
Committee Members	<ul style="list-style-type: none"> Chief Executive of each business unit; and Executive Officers and General Managers responsible for Human Resources, Corporate Administration, Corporate Planning, Corporate Risk Management and Global Compliance Human resource champions are allocated to each division, office and branch. 	<ul style="list-style-type: none"> Managing Executive Officer responsible for Personnel Division and General Manager of Personnel Division Human rights promotion managers are allocated to each division, office and branch. 	<ul style="list-style-type: none"> President & CEO; General Managing Officer of Human Resources, Compliance Control, Financial Planning, Corporate Planning, Risk Management and Internal Audit and General Manager of Human Resources.
Awareness-Raising activities	<ul style="list-style-type: none"> Training programs for all employees Training programs for each hierarchy <ul style="list-style-type: none"> For Executive officers, newly appointed branch managers and managers at the management level, new recruits and career employees Calling for making human rights slogans Distribution of Human Rights Newsletter 	<ul style="list-style-type: none"> Human rights promotional training program <ul style="list-style-type: none"> For all employees Calling for making human rights slogans Posting posters for human rights week 	<ul style="list-style-type: none"> Human rights training programs <ul style="list-style-type: none"> For new recruits Training program on abuse of authority <ul style="list-style-type: none"> For general managers, branch managers and newly appointed Managers
Number of attendees to training (FY 2021)	About 34,500	About 7,000	About 200

Management Training for Handling Harassment

Ongoing training about harassment definitions and points to be aware of, in addition to handling of reports and other issues, is provided through various means including e-learning.

Sharing Human Rights Slogans

As part of activities for raising awareness of human rights, the Bank and the Trust Bank collect human rights slogans from employees and their families every year. The best slogans are selected and posted in the company newsletter and portal site to be shared company-wide.

Human Rights Due Diligence

Human Rights Due Diligence Process

MUFG engages in human rights due diligence by respecting the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct (hereinafter "OECD Guidance"), which is a practical guide to the OECD Guidelines for Multinational Enterprises. MUFG uses the human rights due diligence framework presented in the OECD Guidance as a reference to identify human rights issues relevant to its business, cease, prevent, and mitigate adverse human rights impacts, and track implementation and results.

Human Rights Issues Facing Financial Institutions

MUFG takes note of the various human rights issues listed below and is working with all relevant stakeholders to prevent human rights violations.

As stated in the OECD Guidelines for Multinational Enterprises, MUFG pays particular attention to the human rights of women, children, and indigenous peoples, who are considered to be vulnerable to human rights violations among stakeholders.

Employees	<ul style="list-style-type: none"> ■ Human rights issues related to employees Discrimination in hiring and employment Sexual harassment, power harassment Working conditions/environment, freedom of association, right to collective bargaining, etc.
Customers	<ul style="list-style-type: none"> ■ Human rights issues related to customers Customer privacy, access to financial services, etc.
	<ul style="list-style-type: none"> ■ Human rights issues that can be promoted through or are related to investments and loans Child labor, forced labor, community impact, indigenous rights, etc.
Suppliers	<ul style="list-style-type: none"> ■ Issues related to suppliers' business Overwork, environmental violations, legal violations, etc.

Prevention and Mitigation of Adverse Impacts

MUFG conducts ongoing due diligence on human rights issues concerning various stakeholders, including customers and employees. The results of this due diligence are verified and discussed by the relevant departments, and mitigation measures are adopted to overcome such human rights issues.

On Employees

In accordance with the MUFG Human Rights Policy, MUFG is committed to eliminating all forms of discrimination in employment and at work, and ensures compliance with the Policy through activities to raise awareness. We have established the MUFG Group Compliance Helpline, which serves as a consultation service for human rights violations from the entire Group, as well as a consultation service for employees, and accepts consultations on a wide range of issues including harassment and human relations. We have established a system to resolve and eliminate all forms of discrimination, ensure that human rights violations are not tolerated, and such violations are prevented, as well as ensure compliance with this system through activities to raise awareness.

At the Bank, the Employee Consultation Office provides a variety of consultation services and also supports improvement of the workplace environment through on-site interviews at each branch. In addition, each business location appoints an employee advisor who serves as a familiar face to provide consultation in the workplace on front-line workers' concerns and to proactively work with the Employee Consultation Office to improve the workplace environment. We are also promoting various initiatives that aim to create workplaces where all employees can thrive without giving up their identity.

In addition, based on the MUFG Human Resources Principles, we promote inclusion and diversity, providing a workplace where all employees can approach their work with vitality and job satisfaction as well as growth opportunities.

Creating a Workplace Where All Employees Can Play an Active Role

On Customers

MUFG recognizes that its operations may cause or contribute to, or be directly linked to, adverse human rights impacts in any area. Based on customer satisfaction surveys, customer opinions and complaints, and the social role expected of financial institutions, MUFG continuously conducts due diligence to cease, prevent, and mitigate adverse impacts on human rights that may be caused through our business activities, and utilizes the results in our branch management and other operations.

For example, MUFG is committed to introducing universal design in both tangible and intangible aspects, improving in areas such as hospitality and facility to provide peace of mind for all customers.

Examples of **Universal Design Initiatives**

We also strive to protect the privacy of all customers involved in our business activities, including banking, by ensuring appropriate handling of their personal information and prevention of data leaks.

The MUFG Environmental and Social Policy Framework was established as the basis for ceasing, preventing, and mitigating adverse environmental and social impacts, including human rights issues, in financing for corporate customers. We assure respect for human rights by conducting due diligence as prescribed in the Policy Framework when necessary in making credit decisions at the Bank and the Trust Bank, and in underwriting bonds and equities at the Securities. This Policy Framework prohibits financing for businesses that engage in child or forced labor.

We recognize that large-scale infrastructure and natural resources development projects may have adverse impacts on the local environment and surrounding communities. In accordance with the Equator Principles, the Bank identifies risks and impacts on society and the environment, including the status of consideration for human rights, in the operations of recipients of financing and confirms mitigation measures suggested by customers.

The Equator Principles

In addition, MUFG Bank, Mitsubishi UFJ Trust and Banking, MUFG Securities EMEA, etc. have announced efforts to reduce the risk of human trafficking and other measures in their statement on the Modern Slavery Act.

On Suppliers

MUFG has stipulated its Approach to Purchasing Activity which requires suppliers to respect basic human rights. Based on the Approach to Purchasing Activity, the Bank provides and explains its Guidelines for Purchasing Activity to its suppliers and asks them to understand MUFG's policy. The Bank has also established procedures for external contractors to periodically evaluate matters related to human rights, depending on the importance of the contract and the circumstances of the contract, and takes appropriate measures. The Bank has also established a consultation service for suppliers to prevent the abuse of superior bargaining positions and human rights violations against suppliers, which is described in the Guidelines for Purchasing Activity.

Approach to Purchasing Activity: **Policies and Guidelines**

Furthermore, in response to the enforcement of the Modern Slavery Act in the UK in 2015 and in Australia in 2019, MUFG companies subject to this law published statements of their initiatives to prevent the exploitation of labor and human trafficking in their and suppliers' business in fiscal 2019, and are working to prevent human rights abuses in their supply chains.

MUFG Companies' Statements

- **MUFG Bank**

- [Mitsubishi UFJ Trust and Banking](#)
- [MUFG Securities EMEA \(PDF / 353KB\)](#)

Recourse for Human Rights Violations

Internal Reporting System

A consultation service for issues such as sexual harassment and abuse of authority is established at each Group company to ensure a pleasant and positive work environment and promote human rights. It responds to reports submitted in-person or via phone, email, etc., while providing consideration for the individual's anonymity and privacy. It also accepts and responds to reports from stakeholders outside the Group, including customers and suppliers, about human rights violations caused by MUFG's business activities.

In cases where executives or employees of a Group company, or financial products or services provided by them, are confirmed as performing or being involved in activities which adversely affect human rights, MUFG will respond in an appropriate manner and implement remedial actions.

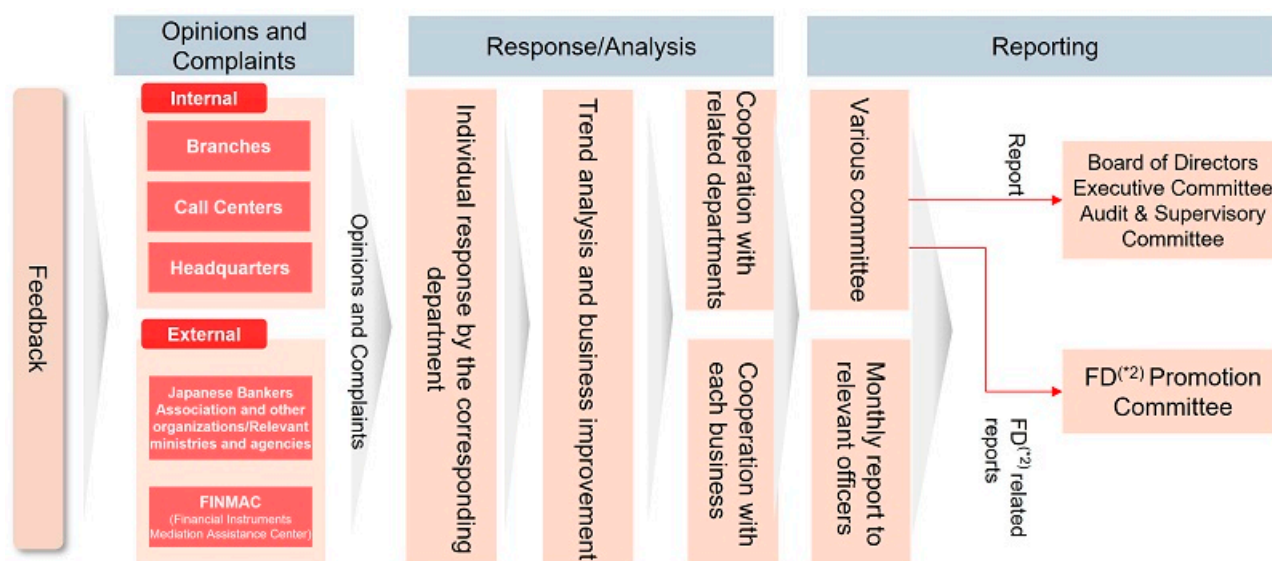
Related link: [Internal Reporting System](#)

Grievance Mechanism

The United Nations Guiding Principles on Business and Human Rights require companies to establish a grievance mechanism, and MUFG has established a system to appropriately respond to the opinions and complaints of customers and other stakeholders, including those on human rights issues.

When it becomes clear that an officer or employee of a Group company or a product or service provided by a Group company causes, contributes to, or is directly linked to adverse impacts on human rights, MUFG will respond appropriately and work to provide remedy to the situation.

<Grievance Mechanism^(note1)>



(note1) MUFG Bank

(note2) Fiduciary Duties

Examples of Responses Based on Opinions/Complaints

Opinion/Complaint	MUFG Response
Insufficient and lengthy guidance on filling out documents related to OTC transactions for foreign customers	Improved response to facilitate smooth OTC transactions by posting sample forms in multiple languages on the website
Palm oil business is prone to human rights issues related to workers, and financial institutions should consider taking action	Recognizing that MUFG's investment and loan activities may have a direct adverse impact on human rights, the palm oil sector policy in the MUFG Environmental and Social Policy Framework has been tightened to require customers to obtain only the Roundtable on Sustainable Palm Oil (RSPO) international certification (April 2022).

Dialogues

MUFG has established the MUFG Environmental and Social Policy Framework as a framework to cease, prevent, and mitigate adverse environmental and social impacts, including human rights issues, through finance. We have been promoting the implementation of this framework through constructive communication with a variety of stakeholders. If, through dialogue with stakeholder environmental and human rights organizations (NPO/NGOs), we become aware of the possibility of human rights issues, such as labor issues related to our customers we will confirm the facts and, if necessary, consider whether or not to revise our transaction policies. Information obtained from such stakeholders is also used as reference when reviewing the MUFG Environmental and Social Policy Framework.

Human Resources Strategy

Overview

Human Capital Investment

MUFG positions human capital as one of its most important types of capital. Through the expansion of human capital, we are creating an environment in which employees can further grow, tackle on challenges, and realize self-innovation.

We are carrying out a variety of initiatives so that our employees can work energetically and enhance their ability to provide value to our stakeholders.



Approach of Human Capital Investment

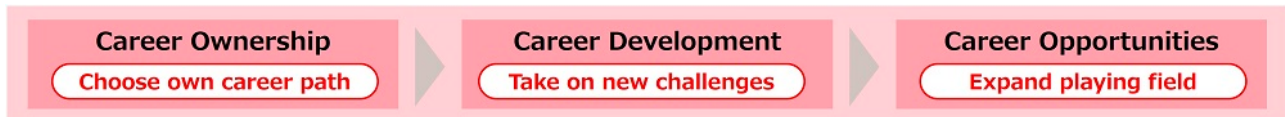


Message from the CHRO

Message from the CHRO (MUFG Report 2022 P65) (PDF / 8.12MB) [📄](#)

Nurturing Professionals/Reskilling

Since the social and competitive environment is changing drastically, we aim to develop human resources capable of responding to such changes. While enriching opportunities for challenge and learning, each and every one of us will autonomously build our careers so that we can acquire opportunities to play an active role on our own.



Our Approach to Human Resource Development

Encouraging the Pursuit of Personal Growth and Challenging Endeavors

The MUFG Human Resources Principles provide the basis on which the Group has built a human resources management platform that aligns with the MUFG Way.

- Shared Values
- HR Mission
- HR VisionTeamwork
- HR Philosophy

Policies and Guidelines

Our basic philosophy on human resource development is to provide each employee with educational opportunities that enhance their discernment and sense of ethics as well as their knowledge and expertise, and to develop human resources who can make the MUFG Way a reality.

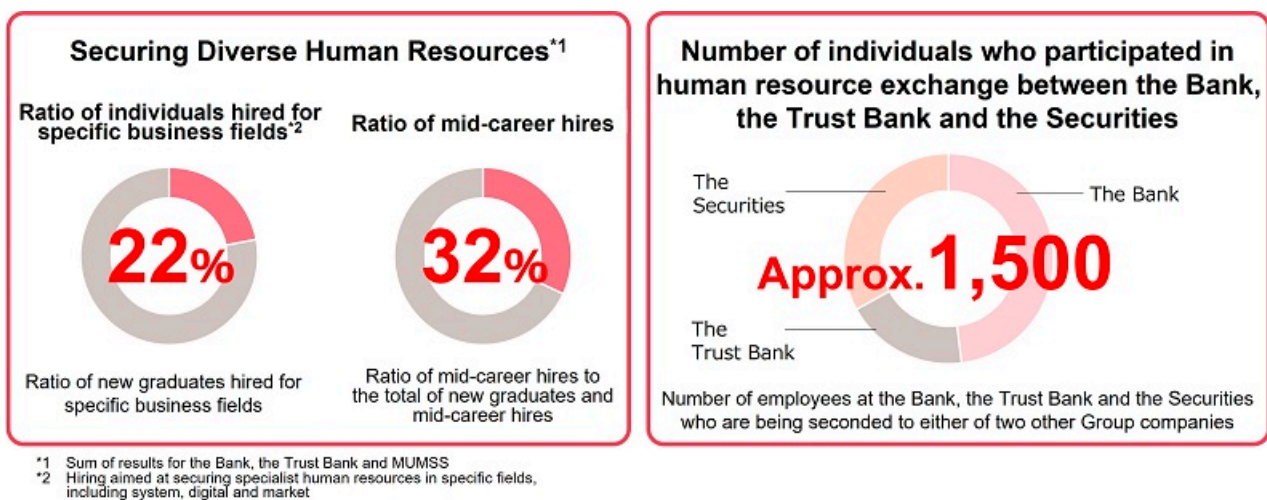
In line with the MUFG Way, we aim to provide our employees with opportunities for personal growth and offer an environment in which they can direct their energies into working with a sense of fulfillment. To this end, we promote inclusion & diversity. To embody the MUFG Way, we have also positioned "Integrity and Responsibility", "Professionalism and Teamwork" and "Challenge Ourselves to Grow" as values to be shared by all employees as defined by the MUFG Human Resources Principles, which serve as the basis for human resources management. Based on these principles, all Group companies engage in the planning and implementation of their respective human resources management policies.

Improve Productivity and Nurture Professionals

During the period leading up to the end of FY2023, we expect a reduction in the individual workload due to such factors as increased use of digital technology to be accompanied by natural attrition in our employee headcount. Accordingly, we deem it important to redirect our human resources toward high-value-added operations and empower them to achieve higher performance as professionals. To this end, we aim to enhance operational efficiency and improve productivity via the incorporation of "smart" work styles and the digital shift.

Today, our employees are being called on to enhance their knowledge and skills in their respective business fields. With this in mind, we will promote human resource development and exchange on a groupwide basis while stepping up the specialty-focused recruitment of new graduates and individuals with external experience. In particular, we anticipate a growing need for specialists in compliance, internal auditing, legal affairs and other governance-related fields that require a high level of expertise as well as specialists in digital and cybersecurity field. We also need to secure human resources well-versed in wealth management, large corporate business requiring sectors specialists and other fields in which MUFG aims to expand its operations. With this in mind, we will enhance human resources systems supporting our strategies in these fields while taking a groupwide, integrated approach to realize flexible staffing.

In the face of a constantly shrinking total headcount due largely to natural attrition, we will also develop a performance-based employee evaluation system that empowers diverse human resources to achieve greater career success than before regardless of their gender or age and thus accelerate the appointment of employees based on the performance.



Inclusion & Diversity

Integrated Management of Human Resources around the Globe

Currently, the MUFG Group has approximately 75,000 employees^(note) hired in countries other than Japan. In an effort to ensure that all of them feel comfortable about being part of the MUFG workforce, we develop employee trainings aimed at facilitating their understanding of MUFG culture. We have also introduced on-the-job (OJT) training programs in which overseas employees take on assignments in countries outside of their location of employment, such as in Japan.

In addition, we hold cross-regional and cross-functional committees under a global talent management framework to conduct talent reviews and succession planning.

Thanks to these ongoing efforts, greater numbers of those who were hired in countries abroad are taking on managerial positions at MUFG. For example, the Bank's executive officers include 10 people hired in countries abroad. Of these, two executive officers are female. Moreover, as a result of our broadening the range of career paths available to them, we have seen improved motivation among individuals hired overseas and their drive is helping to inspire their peers hired in Japan. In short, our approach to global talent development is creating a more positive cycle.

(note) the Bank, the Securities, Krungsri (Bank of Ayudhya) and Bank Danamon

Human Resource Development Program

Programs Designed to Encourage Those Who Take on Challenges

MUFG has developed an extensive lineup of programs designed to empower employees to pursue personal growth and take on challenges as well as to support their autonomous efforts to develop their career paths. Among these programs is Job Challenge, an in-house job-posting program. In FY2021, the number of applicants to this program more than tripled from the previous year and included 164 employees who signed up for a dual in-house assignment system launched in said fiscal year (see below). Additionally, in FY2022, the scope of an external dual-job arrangement at the Bank have expanded and made it possible for employees to act as private business owners outside the Group.

Education and training expenses

**Approx.
¥3,090 million**

(Of this, expenses for digital literacy training: Approx. ¥540 million)

**Sum of results for the Bank,
the Trust Bank and MUMSS**

Career Challenge System

Program		Details	FY2021 results
Job Challenge		An in-house posting system targeting Group employees. Covering the extensive scope of business fields the MUFG Group encompasses, this system offers opportunities for applicants to take on tasks that align with their desires regardless of which Group entity they belong to.	2,278 applicants ^(note1)
	Branch manager positions	Applicants to branch manager positions in Japan. (Over 30 successful candidates were appointed as branch managers.)	241 applicants
	Dual in-house assignments	A dual in-house assignment system is in place at the Bank to assist employees in their autonomous efforts to develop multi-path careers and facilitate in-house innovation.	164 applicants ^(note2)
New Business Proposal		This program solicits proposals from employees with regard to new services, products and operational improvements, thereby providing employees whose proposals are selected with opportunities to launch and spearhead proposed initiatives.	286 applicants ^(note1)
Open EX		This program provides employees with opportunities to be seconded to startups or other external corporations as MUFG's human resources evaluation criteria attach greater importance to experience of a broad range of business and diverse corporate cultures.	46 employees ^(note2) (cumulative total)
Challenge Leave		This system supports employees' pursuit of their dreams or personal growth, which may include becoming an entrepreneur, studying abroad, acquiring certification or getting elected to a public office, by granting leave for a certain period of time.	35 employees ^(note3) (cumulative total)
Career Initiative Seminar		Help middle-level employees transform their modes of behavior and develop their own career in preparation for the coming era of centenarians.	715 employees
Global mobility programs for locally-hired staff		Opportunities for working abroad through internal job posting, three-month OJT HQ, short- and long-term assignments, etc.	728 employees (in total)

(note1) The Bank, the Trust Bank and MUMSS

(note2) The Bank

(note3) The Bank and the Trust Bank

Strategic Investment in Employees by Aligning with Changes in Business Environment

As the business environment changes at an unprecedented speed, in order to secure human resources capable of responding to changes, we provide opportunities for taking on challenges and for learning, as well as invest in employees to move ahead of changes in the business environment.

- Inspire employees to take on challenges via the provision of in-house certification and opportunities for promotion and training
- Continue to focus on enhancing “digital” and “global” capabilities
- Invest in efforts to empower both managers and their staff to secure time for pursuing personal growth
- In FY2022, 3.5% pay raise (including promotion) at the Bank

Training & development	Education and training expenses: Approx. ¥3,090 million (Of this, expenses for digital literacy training: Approx. ¥540 million) ^(note1)
In-house certificate system for digital skills	¥1.2bn of investment during current MTBP (Pay reward Gold-skill certified employees 1,633)
Work style reforms related investment	¥4.5bn (during current MTBP)
In-house coaching and 1-on1 guidelines	Coaching for employees and managers by corporate title. Monthly 30-minute 1 on 1 sessions to enhance communications between managers and their staff
MUFG Analyst Program	Training program for new graduates (U.S. and EMEA)380 participants ^(note2) in total

(note1) Sum of results for the Bank, the Trust Bank and MUMSS

(note2) Gross number of participants

Nurture and Secure Human Resources Capable of Driving Transformation

Growing Need for Highly-Skilled Professionals

As we promote “smart” workstyles and push ahead with the digital shift to enhance operational efficiency and improve productivity, we are redirecting our human resources toward high-value-added operations with the aim of empowering them to achieve higher performance as professionals.

For MUFG's sustainable growth, securing highly professional human resources in a variety of fields of specialization is important. For this purpose, MUFG is endeavoring to secure and nurture true professionals with advanced skills and expertise, through comprehensive efforts in recruitment and training.

Each Group company is actively engaged in developing human resources through various programs and on-the-job training. However, when entering into and developing new business, human resources with expertise in new - fields that cannot be handled by existing employees are required. In order to acquire the necessary human resources, we are promoting midcareer recruitment.

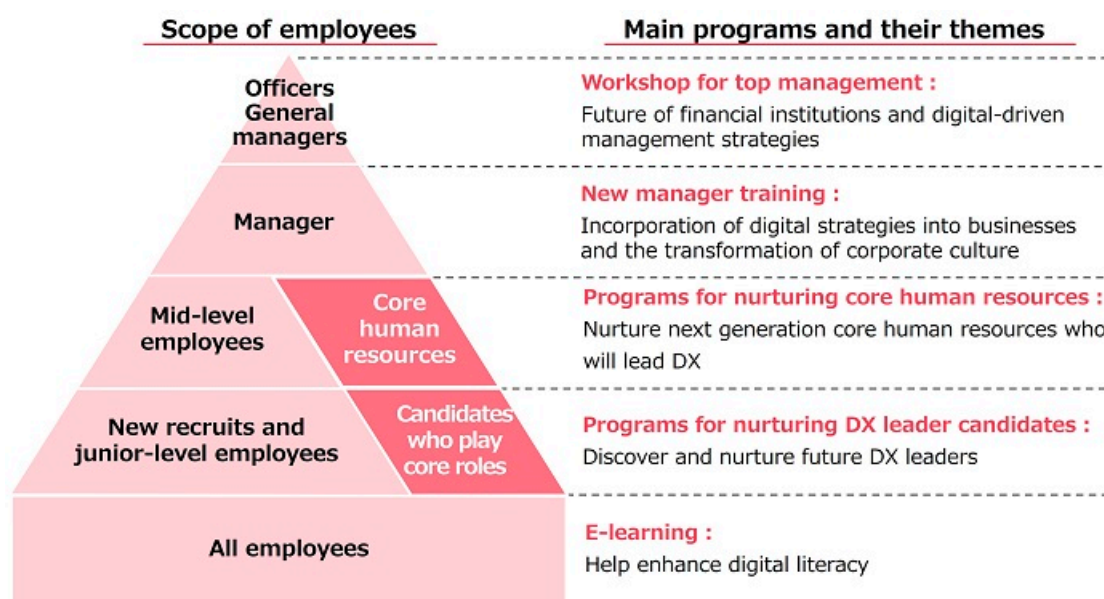
Furthermore, as integrated management of the MUFG companies progresses, it is becoming increasingly important to have business areas where the MUFG Companies work together along with human resources who can demonstrate their abilities across the MUFG companies regardless of the company they belong to.

Under this situation, the MUFG Direct Employment System, a framework in which the holding company, MUFG, directly hires employees, was started in April 2019. The purpose of this system is to encourage employees with high skills and a wealth of experience to further demonstrate their abilities.

Nurturing Digital Specialists: E-learning Program Targeting All Employees, Job-level Based Digital Sessions, Programs for Core Human Resources etc.

Nurturing human resources capable of spearheading digital transformation (DX) is a matter of pressing importance. With this in mind, various training programs have been implemented to nurture digital specialists at the Bank, the Trust Bank and the Securities. Among these programs, “DEEP” training (see below), a practical program designed to nurture digital specialists, has already been completed by approximately 290 individuals. In addition, approximately 750 individuals have completed a program aimed at discovering and nurturing DX leader candidates through in-house solicitation. Furthermore, the Bank mandates that all of its employees undergo e-learning programs with content equivalent to training programs for “IT Passport” certification, one of the Japanese national certifications, to help raise their digital literacy and has introduced an in-house digital-skill certification system to encourage employees to acquire external certifications. Under this system, a total of 1,633 individuals have been certified as “gold skill holders.”

Programs Aimed at Nurturing Digital Specialists (the Bank)



Nurturing Future Top Management: MUFG University

One of the key management issues of MUFG is the development of the future top management who will lead innovation and responsible for taking on challenges and creating value. As a solution to this issue, the Group launched the MUFG University program for line managers and above in FY2018, with a total of more than 600 attendees to date (196 in FY2018, 220 in FY2019, 192 in FY2020, 171 in FY2021).

MUFG University offers two different courses, namely, the "Next-Generation Leader Course", which aims to secure the future leaders of MUFG, and the "Management Course", which aims to help managers enhance their skills.

In the Next-Generation Leader Course, we offer general managers and branch managers multi-layered training programs through interactive classes conducted by external corporate managers and academic experts. The Management Course is designed for Managing Directors, deputy general managers and deputy branch managers and offers a liberal arts session to cultivate the human skills and wide perspective required for management, thus steadily securing a robust pool of top management candidates. In FY2019, we launched a project to develop coaching skills at the domestic general managers and branch managers. A total of 50 people participated in the program by FY2020. In management, we draw out the individuality and strengths of each employees and strengthen their engagement, thereby enhance skills that encourage them to take on new challenges in new areas.

Programs Offered by MUFG University

【Next-Generation Leader Course】 Eligible attendees: General managers and branch managers Feature: Interactive classes conducted by external corporate managers and academic experts	
Program name	Objective
New Corporate Executive Training	Acquire practical viewpoints for corporate management
Executive Candidate Training	Acquire concept building capabilities to develop financial businesses for the future
Assessment & Coaching	Embrace a new mode of action in daily operations

【Management Course】 Eligible attendees: Managing Directors, deputy general managers and deputy branch managers	
Program name	Objective
Global Leaders Forum	Develop leadership for global operations
Liberal Arts Session	Enhance prediction capabilities necessary for making policy judgments through increased exposure to liberal arts concepts
Design & Digital Thinking	Enhance concept building capabilities via exposure to digital thinking methods
Coaching Capability Improvement	Acquire coaching skills to maximize subordinate members' talent and potential

Nurturing Global Human Resources

Today, the MUFG Group has expanded into more than 50 countries around the globe, and approximately 58% of its entire workforce is accounted for by overseas employees (as of May 31, 2022). Based on the concept of "inclusion & diversity", which is one of MUFG's priority issues, in order to recruit and develop a diverse range of professionals, it is necessary to foster our corporate brand both in Japan and overseas so that people will want to work for MUFG.

MUFG is expanding opportunities for employees to play an even more active role by operating a market-standard and globally unified human resources platform for title management, employee evaluation, wage determination and other human resources practices.

Also, as more and more employees with diverse backgrounds join, we began implementing job-level based training programs on a global basis to ensure all Group members understand the MUFG Way and embrace a shared culture. For example, we provide the Global LEAD Program targeting those in managing director or similar positions with a variety of experiences from different countries and regions where the group operates, to help such individuals acquire essential leadership knowledge as well as necessary perspectives and in-depth expertise on global operations. In addition, in the Three-month Intensive Program for working-level employees, participants from overseas facilities will receive on-the-job training in the form of business trips to other regional departments for three months. This not only fosters the development of the participating employees, but also fosters the mindset of the employees at the host sites to work globally.

These efforts are helping to increase the motivation of employees hired overseas, while at the same time expanding the talent pool, thereby promoting competition within the company and creating a virtuous cycle that will lead to the realization of a stronger organization. Today, a growing number of individuals hired overseas have been promoted to managerial posts.

For example, 10 of these individuals, including two women, have assumed executive officer positions at the Bank (as of March 31, 2022).

Initiatives of Group Companies

Each Group company is developing training programs in order to ensure that employees can provide high-value-added services to customers with a high-level of motivation and expertise.

MUFG Bank

The Bank defines a role model as an employee who has personal capacity, skills and expertise, and can deliver achievements and contribution. In other words, an employee begins with personal capacity, adding skills and expertise gained as a professional to attain high levels of achievement and contribution on a medium- to long-term basis. In addition to cross-divisional, rank-specific training to develop personal capacity and division-specific skills training to acquire "skills and expertise," we also have a rich menu of self-development support programs to provide opportunities for autonomous learning according to each individual's stage of growth.

In order to improve day-to-day working experience, the Bank strives to cultivate an environment to foster human resource development within the workplace. We are creating a "culture of nurturing people" and strengthening the organization by developing the "1-on-1 Guidebook" and "Career Interview Guidebook," both of which are designed to activate communication between supervisors and subordinates in terms of "quality and quantity," and by expanding the mentoring system and guidance officer system for the development of young employees.

Mitsubishi UFJ Trust and Banking

To cultivate true professionals who inspire confidence in customers, the Trust Bank provides training tailored to each individual's position, rank and occupation. Through its Personnel Development Program in each field of business, the company conducts practical job rotation and carries out training for the specific work responsibilities of each division. In addition, the Trust Bank is expanding the range of educational opportunities for employees seeking to independently develop their careers through the "MUTB Business School," self-enrichment seminars, dispatch outside the company, support for obtaining qualifications and various other educational support programs.

Mitsubishi UFJ Morgan Stanley Securities

In order to cultivate human resources that possess both "outstanding personal capacity" and a "high level of professionalism" and contribute towards improving the capacity, qualities, passion and expertise of employees, the Securities Business actively implements OJT, which encourages growth through work experience, and OFF-JT, which entails implementing training according to rank and occupation, supporting employees in bettering themselves professionally and so on. In the training according to rank, the Securities Business works to ensure thorough adherence to the MUFG Way and the MUFG Group Code of Conduct and strengthen management functions and engagement, while in the training according to occupation, we work to improve the skills and expertise required from each business division in order to continue to provide customers with high-grade services. Moreover, the Securities Business is also focusing its efforts on supporting independent career development by enhancing support systems for self-betterment and acquisition of qualifications by all its employees.

Mitsubishi UFJ NICOS

In order to develop human resources who can adopt and respond to social changes, such as the cashless society, and continue to grow on their own, we implement job rotation system, OJT to promote growth through work execution in the workplace, career development support, job-level based training, and self-development support, based on the pillars of "emphasis on OJT" and "support for autonomous growth."

Specifically, OJT officers are appointed with the goal of realizing joint learning and growth among young and mid-career employees based on mutual teaching and learning while performing everyday tasks. In rank-specific training, cross-departmental training is implemented to impart the necessary skills and foster the right mindset for each rank. Meanwhile, in support for self-improvement, we actively provide opportunities for autonomous growth through e-learning, external dispatches and so on geared to supporting the career development of each and

every employee. In particular, we are focusing on measures to improve digital literacy throughout the company.

ACOM

In order to develop employees who embody ACOM's corporate philosophy of "Customers First," "Creative and Innovative Management," and "the Spirit of Human Dignity," ACOM is implementing various types of training, including on-the-job training, rank-specific training, and selective training.

Additionally, ACOM is actively carrying out measures to support the independent career development of its employees, such as offering e-learning and correspondence educational programs as well as providing support for the acquisition of official certifications.

Krungsri (Bank of Ayudhya)

Krungsri understands that employees play a crucial role in the organization's productivity and has striven for a comprehensive human resource development with 'People Excellence' as its core value. Four pillars, namely "Adherence to and demonstration of Krungsri core values", "Leadership development", "Professionalism improvement", and "Good corporate citizenship" have been stipulated to support this value, and various programs are provided for talent development. There are programs provided jointly between MUFG and Krungsri, such as the Global Leaders Forum, and many which is unique to Krungsri.

One such case is the extensive e-learning programs of Krungsri which provides training opportunities to all levels to enhance their capabilities in tandem with the COVID-19 pandemic. A total of 764 online programs were made available in 2021, which were attended by 74,895 employees (representing 108 thousand training hours)

Bank Danamon

Bank Danamon regards competency development as one of the Bank's investments in its employee, along with the Bank's strategies that focus on people, digital and branding. As part of its support for human resources development, Bank Danamon has consistently organized training programs to increase employee's knowledge and skills. Various employee training opportunities are provided according to the training needs and objective, including classroom learning system, e-learning, OJT, and others.

In response to the COVID-19 pandemic, in year 2021, all of the training were carried out online through e-learning programs. A total of 778 online programs were provided, with 107,780 employees in attendance (representing 182 thousand training hours, investment total of IDR 85.63 billion).

Career Development Support Programs

Each group company has put in place systems that allow employees to change their particular occupation or career track, as well as in-house job-posting systems that let employees apply for different jobs that they want to try.

MUFG Bank

In order to support independent career development of each and every employee, the Bank has created an in-house recruiting system that permits employees to apply for the position of their choice. They can apply for a variety of posts at branches and offices in Japan and overseas as well as at the Head Office. Many employees have responded when job openings are announced several times a year. The Bank has also added CSR approaches as a company that respects the work-life balance. For example, by offering a system to allow changes in career track between Main Career Track, and Business Specialist (BS) tracks; a Relocation Posting System combined with consideration of circumstances such as job transfer of a spouse, or the need to care for a family member; and a system that allows non-permanent staff including contract employees to become regular employees.

A Global Job Posting Framework is also in place for overseas employees, recruiting for internal positions on a global basis. This system enables employees including those employed in Japan to work at locations beyond the

country in which they were employed.

Mitsubishi UFJ Trust and Banking

We have established the Career Challenge System, a program for realizing wishes and declarations related to one's career, which is conducted twice a year. Under this system, we have established a Job Challenge System that allows employees to experience their desired departments and tasks, a Post Challenge System that allows employees to challenge themselves for managerial positions, and an Active Career Challenge System that allows employees to choose their work style with outlook for their career until age 65. We have also introduced an in-house side job system that does not involve transfers, which allow employees to challenge new tasks in different business domains while staying at the current position. As part of our career development efforts, we will continue to create a system that responds to the wishes and willingness of employees to take on challenges.

Mitsubishi UFJ Morgan Stanley Securities

Responding to the desire for autonomous career development by a wide range of employees, from young members to mid-career personnel, the Securities Business offers various opportunities, including the Job Challenge program, which is an in-house recruitment system providing opportunities to engage in different aspects of the business, the Group Subscription scheme, which allows employees to experience work they aspire to in MUFG Bank or Mitsubishi UFJ Trust and Banking, domestic and overseas study trips, and external placements. In addition, the Securities Business provides opportunities for self-study as an additional means to support employee career development. The Securities Business has also established a system that allows employees to request a transfer to a different position that is necessitated by marriage or the transfer of a spouse to a different location, in addition to a system that allows employees to request a switch to a career track different from their current one due to reasons such as a change in their personal capabilities and level of suitability or in their sets of values. In these ways, the Securities Business is providing continuous support for the career development of its employees.

Mitsubishi UFJ NICOS

NICOS also offers broad opportunities for employees who have the desire to use their skills to the utmost, by starting to offer the new Regional Main Career Track in FY 2014, which involves no job transfers. Their system to allow changes in career track lets employees challenge themselves for career advancement by adding the Regional Main Career Track to existing Regular Service and Main Career options.

In addition, we provide opportunities for our employees to expand the scope of their work through the open recruitment system for challenges.

Going forward, NICOS will actively hire talented employees with a desire to change career tracks and strive to put in place systems that emphasize work-life balance.

ACOM

ACOM provides diverse career opportunities to support employees' career enhancement. For example, fixed-term employees are able to move up to full-time employees, and those who started their career with limited promotion opportunities can change their work course to broaden their opportunities. ACOM also provides periodical opportunities for employees to assess and submit their desired career development plans in order to support their fulfillments.

Corporate Citizenship Project

Since FY 2007, MUFG Bank has included volunteer work in the training programs for new employees. By having them participate in volunteer activities in the local community, this program aims to help employees become

aware of their roles as members of society. This experience also allows new employees to adopt the basic attitude of serving society and proactively offering what they can to people and society in general. Under this hands-on training program, called the Corporate Citizenship Project in cooperation with the Tokyo Voluntary Action Center and other local volunteer centers, new employees visit more than 100 welfare facilities for two days in the Tokyo metropolitan area and Yokohama annually until FY2019. Since FY2020, we have switched to an online format and implemented a two-day program from the perspective of preventing the spread of COVID-19 in both welfare facilities and new employees. In addition to their online-based welfare activities, through pre-visit orientations, volunteering opportunities, and post-activity reviews, some new hires concluded that the program was an excellent opportunity to reconsider what they can do as members of society. Others have mentioned that the volunteering experience aided them in understanding the importance of considering circumstances from someone else's point of view. Just as importantly, the program allows newly-hired employees to recognize their significance as members of society.

Evaluation of Human Resources

Our Approach to Evaluation of Human Resources

In order to achieve MUFG's vision of the future, each employee is required to make changes and there is a need to create an environment that encourages employees to grow and take on challenges. Based on this, MUFG is reviewing the ideal employee profile and qualification requirements with a greater emphasis on "professionalism" and "innovation and challenge" and are also developing an environment that encourages employees to voluntarily make innovation and strive to achieve the careers they seek.

Evaluation

As for the performance evaluation, targets are set by all employees at the beginning of each fiscal year, the degree of achievement is reviewed and performance, including actions and processes, is evaluated at the end of the year. As for the competency evaluation, various competency indicators are set to make a multidimensional evaluation.

After each evaluation, a feedback interview is held to communicate the strength and weakness, which will contribute to future performance and competency development. Thus, we encourage them to improve their performance and build their careers by ensuring deep understanding and objectivity.

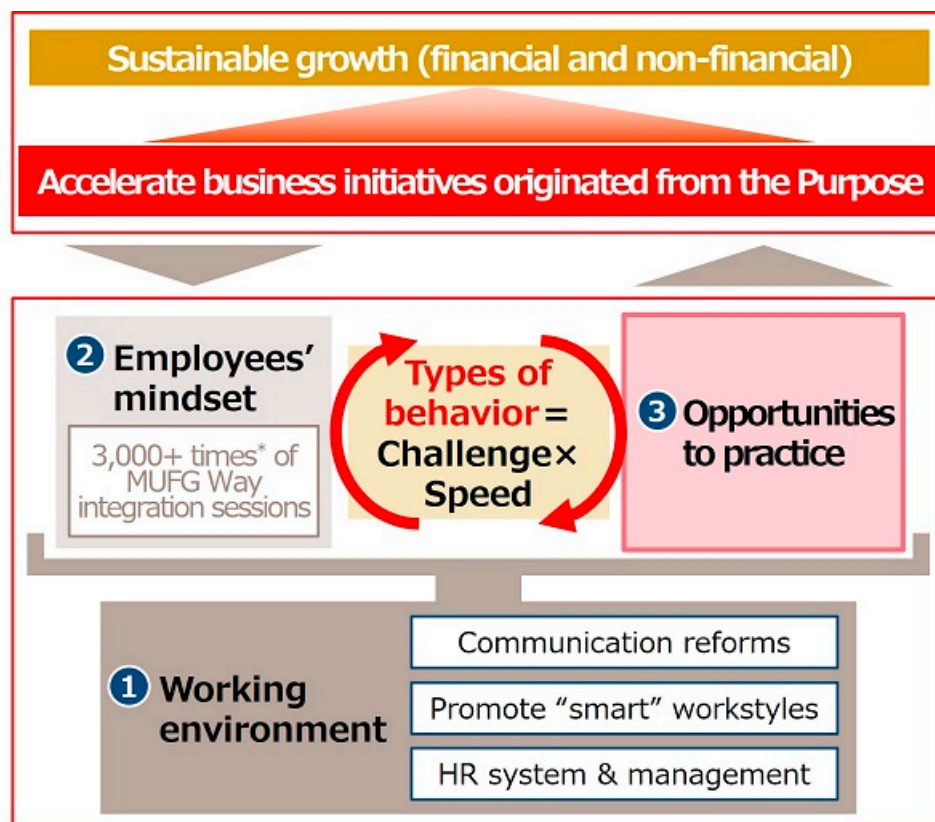
We also give 360-degree feedback to the executive level and the line and other managers at the management level. This is an opportunity to raise awareness of their managerial qualities, strength and weakness and to encourage them to make improvements by understanding observation from various perspectives such as subordinates, coworkers, related departments, and other concerned parties.

Culture Transformation/Improvement of Engagement

MUFG has positioned “Culture Transformation” as one of its corporate transformation initiatives. We are promoting a variety of measures to ensure that “Challenge and Speed” is firmly established in MUFG as a pattern of action.

Overview of Culture Transformation

- (1) Update our working environment to secure a platform supporting the transformation of employees' behaviors
- (2) Encourage employees to develop a sense of ownership regarding MUFG's Purpose to help them transform their mindset
- (3) Offer opportunities to practice, for example, via HR-related programs and “Spark X”



* In FY21, head of each branch and other business base held sessions with their respective staff, totaling to 50,000 employees

Creation of a workplace where people feel "job satisfaction"

Through a variety of initiatives, MUFG develops professional human resources who can add value to the services provided by the Group, while aiming to create an organization that will enable us to provide greater value to its customers and society. In addition, in order for the entire group to take on the challenge of retransforming the culture, it is important to create a workplace in which each and every employee finds their job reward. Through the annual MUFG Group Awareness and Engagement Survey, the Group identifies the issues its employees face and uses them to study and take a variety of measures.

The Bank requests employees to complete a simple survey that asks about their day-to-day motivation, health and workplace environment via company's portal site. The Trust also conducts organizational diagnosis through weekly pulse surveys. The results are shared with employees to help identify and resolve problems at the early stage, promoting the creation of a healthy and open-minded workplace environment.



Empowering Employees to Develop a Sense of Ownership about Purpose — "MY Way × MUFG Way"

In FY2021, we held MUFG Way Integration Sessions with the objective of encouraging employees to discover how relevant the MUFG Way is to their day-to-day tasks and actions.

Each session began with self-reflection, with attendees asked to consider their value systems, beliefs and aspirations so that they may better articulate them as "My Way." They were then asked to develop their own interpretations of the MUFG Way in light of the policies upheld by the respective branch and division they belong to, and missions currently assigned to them. These interpretations were shared among attendees, who usually came from the same workplace, and they engaged in free discussions on that basis.

In addition, a cascade-down approach was used in these sessions, with Group CEO Kamezawa becoming the first to share his personal definition of the MUFG Way with officers overseeing Group companies. This sharing of "My Way" then progressed from officers to general managers of branches and divisions, and from general managers to their staff. The number of sessions held in Japan and overseas thus exceeded 3,000 and involved more than 50,000 employees.

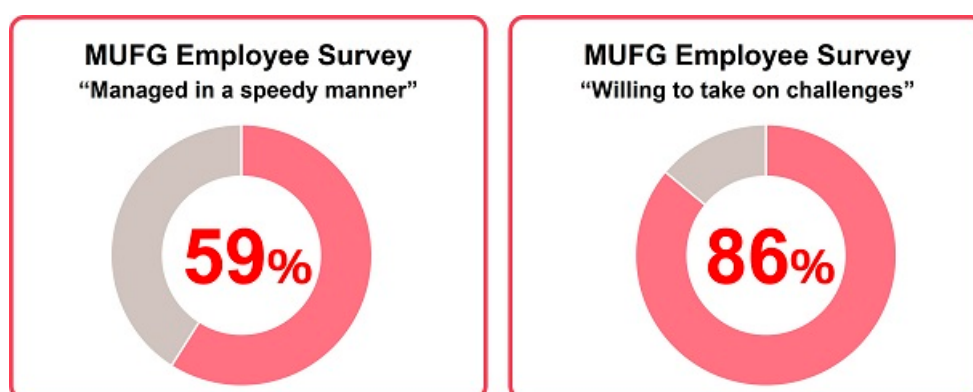
Comments voiced by participants included, "I began to feel a sense of intimacy after hearing the personal life stories of my supervisor and what he/she really thinks about his/her job, things that I would never have known" and "The session helped me to recall what I was aiming for when I had just joined the Company. It was a good opportunity to seriously think about how I envision my contribution to customers and society as a whole." On the other hand, some participants commented that "It is hard to translate the Purpose into my tasks." Therefore, it can be concluded that we are only halfway to our goal of empowering employees to develop a robust sense of ownership about the Purpose.

In FY2022, we updated these sessions into "MUFG Way Employee Sessions," focusing on helping attendees reexamine the relationship between "My Way" and the MUFG Way and develop tangible definitions of the stakeholders they aim to serve and how they will contribute to such stakeholders through their duties at MUFG. We thus are encouraging all employees, including those who are in non-managerial positions, to frankly exchange their thoughts on these matters with their supervisors, team members and other colleagues.



Speed & challenge –review of FY2021

The last fiscal year, about 2,300 employees, triple the number of the previous year, applied for the in-house recruitment system, the job challenge, reflecting the expansion of the challenging culture within the group. We will further enhance the programs to encourage employees to take on challenges so that this positive change will become a larger tide.



Opportunities to practice –enhancing further

Programs aimed at creating new businesses, Spark X and MUFG Main building project, are just two of the opportunities to be offered to employees to link their motivation for transformation and challenge their actual practice. On the other hand, there are still challenges in the speed of implementation. Only 59 percent feel that it is managed in a speedy manner, so we will be more mindful of speed-oriented operations going forward.

Program aimed at creating new businesses “Spark X”	In-house and external extra career systems
<ul style="list-style-type: none"> • Solicit ideas for creating new businesses that employees wish to undertake and originate from MUFG’s purpose • Involvement of internal and external experts to refine ideas • 650 entries from 20 group companies 	<ul style="list-style-type: none"> • Help employees autonomously develop multi-path careers. Facilitate in-house innovation • Assist employees in the enhancement of their careers and skills through activities outside MUFG
MUFG Main bldg. project “Group open recruitment WG”	Employee Resource Network (EMEA)
<ul style="list-style-type: none"> • Established “open recruitment WG” consisted with members from group companies • Aiming for a new bldg. to be a “symbol of MUFG” • Create new culture by working as one group 	<ul style="list-style-type: none"> • Large volunteer communities from across the business to work on a variety of I&D topics • More than 150 employees are working in seven groups to raise awareness, address workplace issues, provide colleagues with support, and bring people together

Inclusion & Diversity

Inclusion & Diversity Initiatives

MUFG focuses on Inclusion and Diversity as one of the 10 Priority Issues in sustainability management.

In 2006, MUFG established a dedicated department to promote diversity as a corporate management strategy under the commitment of the top management. In particular, we consider the promotion of diversity from the viewpoint of gender to be an important issue, and we are working to develop the ability of women and promote their appointment in higher positions.

Our three main subsidiaries, the Bank, the Trust Bank and the Securities, set joint targets and report progress regularly at the executive committee.

In 2018, the Group started the integrated operation of the corporate center function. The three companies gather and work together to promote inclusion & diversity within the Group.

At the annual HR exchange meetings, people from HR departments of about 40 Group companies gather to share best practices and issues. By doing so, the Group companies are in full coordination and promote inclusion & diversity effectively.

In addition, we have assigned staff in charge of promoting Inclusion & Diversity in each region to effectively address each issue under global cooperation.

MUFG's Thinking on Inclusion & Diversity

At MUFG, our vision for promoting Inclusion & Diversity is identified as "Enlighten, Encourage, Empower - Work together as a Group to exceed customer expectations."

A chemical reaction occurs as diverse employees respect each other's differences, make the most of each other's characteristics, and grow with each other. New ideas and behavioral patterns born from this chemical reaction will help us create a free and vigorous culture and value that exceed the expectations of society and customers.

In order for MUFG to be committed to empowering a brighter future, we believe that investment in Inclusion & Diversity is essential.


Enlighten, Encourage, Empower.

Work together
as a Group to exceed
customer expectations



Meaning of “Equity” in MUFG ~Roundtable Discussion—Inclusion & Diversity

Head of Global HR interviewed regional leaders of Inclusion & Diversity about the necessity of a global strategy, initiatives and “Equity” in each region, and future direction.

[Roundtable Discussion—Inclusion & Diversity — Meaning of “Equity” in MUFG \(MUFG Report 2022 P67\)](#)
 (PDF / 8.12MB) 

What is Equity?

Equity means giving each individual what is considered necessary and appropriate to achieve their purpose, taking into account their individual differences. Equity is essential to achieve higher levels of inclusion. MUFG aims to narrow gaps based on identities and attributes, such as gender, disability, nationality, race, age, sexual orientation, and to provide equal opportunities and ample growth opportunities so that each individual can reach their full potential and grow with each other.

Equality

Provide the same thing to all people without considering individual differences

Equity

Provide people what is necessary and appropriate to achieve objectives with a focus on individual differences

Management Strategies and Performance—Corporate Transformation

Transform Our Corporate Culture / Human Resources Strategy Roundtable Discussion—Inclusion & Diversity — Meaning of “Equity” in MUFG

MUFG focuses on Inclusion and Diversity (I&D) as one of its key strategies, which is one of the 10 Priority Issues in MUFG’s Sustainability Management. Head of Global HR interviewed regional I&D leaders.



Angus Macgregor
Managing Director,
Head of Global Human
Resources, Human
Resources Division



Sayaka Soyama
Managing Director,
Head of Inclusion &
Diversity Office, Human
Resources Division



Okeatta Brown
Director, Head of Diversity,
Equity & Inclusion for the
Americas



Jennifer Read
Vice President,
Head of Inclusion &
Diversity for EMEA



Kiat Siong Khoo
Assistant Vice President,
Talent Development and
Culture, Global Human
Resources, Asia

Where We Are and Necessity of Global Strategy

Angus: First of all, I would like to ask each of you what is your view about the current MUFG?

Okeatta: When I joined MUFG in 2021, I learned there were several meaningful engagements in process in the Americas, including the launch of an Executive I&D Council made up of our CEO, CHRO, and leaders from our Enterprise Resource Groups (ERG) and Business Unit I&D Councils, and CSR resulting in several initiatives designed to impact change. However, there seemed to be a lack of clear goals and objectives aligned to a “north star,” an I&D vision. The opportunity surfaced to build an enterprise I&D strategy that includes success measures that were impactful enough to shift behaviours, which are necessary to transform a culture and effect change internally and externally. We must invest in I&D as a business imperative and a competitive advantage.

Jennifer: EMEA has a clear commitment to I&D through our EMEA strategy with “strengthening our culture” set out as a core pillar. Our EMEA Employee Network programme is one of many critical components of this and consists of seven resource networks that help us to establish a working environment that embraces and celebrates the diversity of our people. These networks offer our employees community, connection and a sense of belonging, all of which help to increase and maintain employee engagement. However, our approach remains very regional and reactive. From my perspective, the obvious next step for MUFG is a global Diversity, “Equity” and Inclusion (DEI) strategy.

Kiat: I’ve been with the bank for just over 4 years and in this rather short time, I can see I&D and cultural transformation has been changed in MUFG, particularly in APAC. Employees currently in the organization could also see this as an opportunity to progress with their career especially in regions/countries where DEI has been neglected for a while. The world is rapidly changing and more and more issues around I&D are being surfaced daily. Now that DEI is high on everyone’s agenda, we can better manage this situation by framing the priorities for the teams working on it.

Sayaka: In Singapore where I worked until the beginning of 2021, our colleagues have various nationalities, cultures, careers, and all are very diversified. After I came back to Tokyo, I again realized that there is a huge gap between Japan and overseas offices. In Japan, it is homogeneous where most employees in Head Office are Japanese, important roles are assigned to men, etc. I strongly believe diverse talent will enable us to tackle diverse issues; talent, that can leverage their skills through an effective network and courageous communication with colleagues.

Regional Focus and “Equity”

Angus: We want to create a diverse, equitable and inclusive environment which fosters all talents for the better of MUFG – focusing on diversity of thought, inputs and experience, equity of treatment in all we do and creating an environment that is inclusive for all where all can thrive. Then, what each region is doing under this global banner and respective focus on where you have gaps, and how do you care for these gaps over the next period in your region?

Sayaka: In Japan, one of our top priorities is to solve the gender gap. We have increased the target % representation of female management in Japan from 18% to 20% by fiscal 2023, but it is still on the way to reach to 30% set out by government. We are supporting education of women by providing various learning and development programs and mentoring programs, in collaboration with Business Units, etc. In addition, we are focused on increasing mid-career hiring of SMEs (Subject Matter Experts), leadership assignments to locally hired staff and stable employment of people with disabilities and LGBTQ colleagues, moving forward to cultivate an inclusive corporate culture.

Globally, “Equity” will be introduced to shift to “Diversity, Equity and Inclusion.” This is not “equality” in which we provide the same things to various people, but “equity” where we provide appropriate support to each individual. I think “equity” is critical when solving for closing the gap for gender, people with disabilities and SOGI (sexual orientation and gender identity), etc.

Kiat: MUFG APAC is a diverse region, 18 different countries, many cultures, languages, and differing legislations impacting each of our respective locations. Therefore, we seek to become as inclusive as possible through our diversities of gender or races etc. We are doing this by ensuring we have the right mix of gender diversification at all levels in global, regional and local projects.

Another practical approach, for example: we are setting up diverse employee teams, bringing together all levels, and a wide representation of staff, to give them a voice for continuous improvement and to enable their contribution to business decisions.

Additionally, we have partner banks in the region, and this adds a level of energy and enthusiasm to how we work together and leverage the diversity that they also bring to MUFG APAC.

Jennifer: In EMEA, fostering a culture of collaboration, inclusivity, diversity, empowerment, and high performance is one of the four pillars of our EMEA strategy. Firstly, we focus on increasing diverse representation in line with the commitments we have made to the Women in Finance Charter and Race at Work Charter. We link accountability for achieving approved targets to executive performance through our EMEA Leadership objective, by monitoring and reporting on key diversity metrics. We also implement initiatives to support the learning, development and progression of diverse talent through initiatives such as our Reverse Mentoring programme.

Okeatta: In the Americas, we were able to develop a comprehensive DEI strategy with key performance indicators that include a focus on increasing gender, race, and ethnicity representation at senior levels, DEI learning and leadership development programs, and a plan for building an inclusive culture. We will use the remainder of the calendar year to operationalize our enterprise DEI strategy to include: 1) enhancing our governance model to leverage a top-down and bottom-up approach, 2) strengthen accountability at our most senior levels and for all people managers by introducing specific DEI management objectives starting in fiscal 2022, 3) investing in a comprehensive DEI learning and development platform and so on.

Sayaka: We must solve the situation where employees cannot fully utilise their ability due to their identity and environment. Additional investment in these employees will help to draw on their capabilities and have a positive impact on others, which will facilitate a merit-based system, or culture of “pay for performance,” ensuring that the right person is in the right role. This will make individuals and our organization resilient, which is a target of pursuing “equity.” Each region’s action is to ensure “equity.”

Each region has different issues, so actions are diversified. However, our global goal is to ensure equitable opportunities for all employees so they may maximize their capability within an inclusive culture and with psychological safety. This will change the culture and create value.

Direction

Angus: You are fostering global collaboration in addition to regional focus. What are you aiming at?

Okeatta: We are working to define a global “north star” and set clear objectives and key performance indicators to track and measure year-over-year progress of our journey to becoming the most trusted financial group.

Jennifer: I’m excited about the progress we’re making towards building an integrated global DEI strategy. In EMEA, we’ve focused on I&D until now but recognise the importance of including equity. This change will allow us to take a more global approach in reviewing the policies, practices and processes that impact our employees, ensuring that someone’s identity bears no impact on their ability to achieve their full potential and ambitions at MUFG.

Okeatta: The DEI strategy for the Americas includes a focus on workforce, culture, marketplace, and community. We must ask ourselves if we are being inclusive when we consider the products and services we offer and procure. A community focus is also integral to our DEI strategy. Supporting organizations and strategic collaborations dedicated to social justice, racial equity, gender equity, culture, arts, and economic prosperity within underserved communities through investment, volunteering, and charitable donations demonstrates our commitment to ESG.

Sayaka: I believe that by leveraging our global and regional network, we can lead the discussion with our customers and clients addressing social issues. This is also our mission as a global bank.

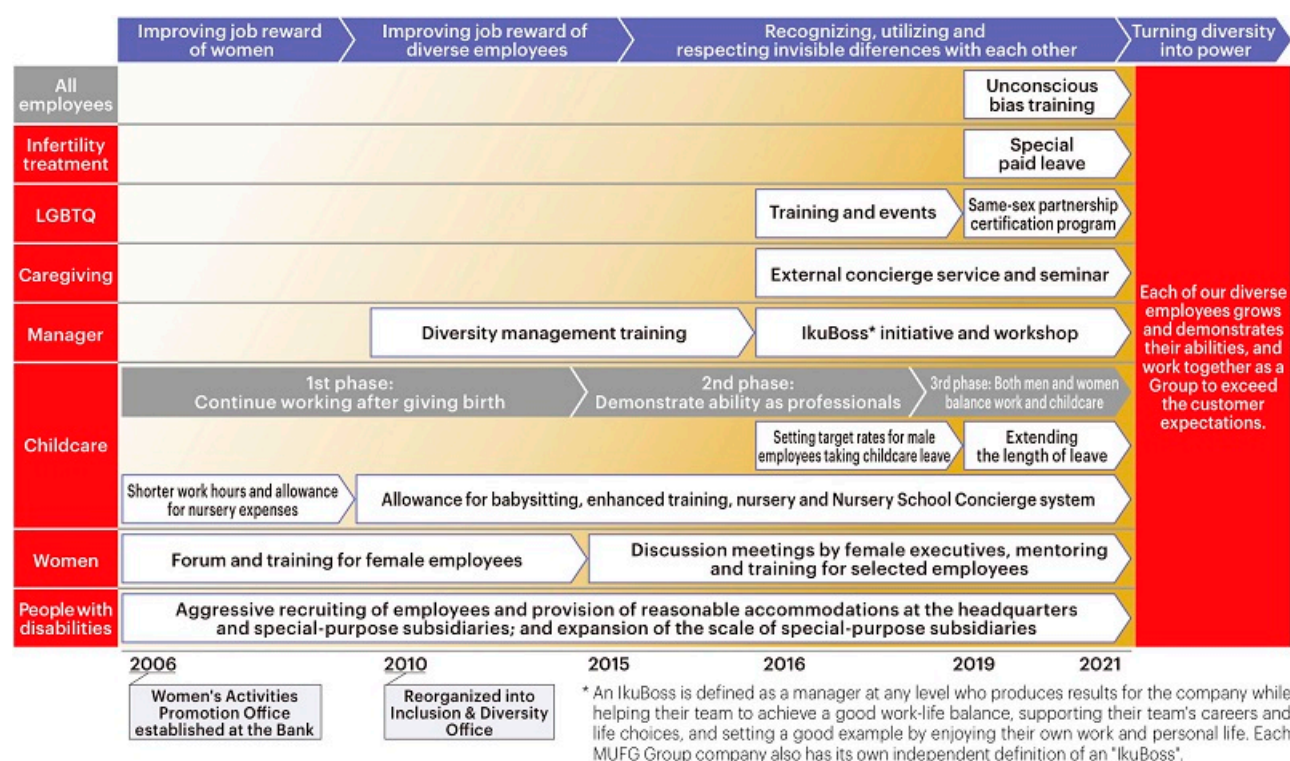
Angus: Let’s promote DEI globally. This will not only change corporate culture, but also connect to our MUFG Purpose—Committed to empowering a bright future.

For more details and to access the MUFG Sustainability Report, please visit our website.
<https://www.mufg.jp/english/csr/report/sustainability/>

Our history of Inclusion & Diversity Initiatives

Our initiatives since 2006 are as shown below. Initially, our main objective was to improve the job satisfaction of female employees. However, since 2010, we have expanded the scope of our initiatives with the aim of improving the job satisfaction of not only female employees but also diverse employees. Moving forward, we will further focus our efforts on creating workplaces where all employees of the Group can demonstrate their unique strengths and make diversity empower a brighter future.

Representative Initiatives by Group Companies



Compensation System

MUFG's compensation system for Executives, etc. is not only aimed at ensuring the achievement of short-term performance targets but also intended to better incentivize these individuals to contribute to a medium- to long-term improvement in corporate value and encourage them to take on the challenge of driving innovation. In FY2022, we also added inclusion & diversity targets to qualitative assessment indicators for determining the amount of bonuses vis-à-vis the execution status of the recipients' duties, in order to facilitate management efforts to promote and secure the robust employee understanding of inclusion & diversity.

Corporate Governance

Evaluation for Inclusion & Diversity Initiatives

For evaluation related to our Inclusion & Diversity initiatives, please refer to "External Evaluation."

Encouraging Diverse Talent to Play an Active Role

We are creating a workplace where each one of our diverse employees can demonstrate their abilities.

Female Employees

Promoting gender diversity, particularly increasing the percentage of female in managerial positions, is a priority issue. MUFG set medium- to long-term targets and is developing the ability of women and promoting their appointment in higher positions under the commitment of the top management. We provide training for selected employees and mentoring programs for female employees in senior positions to encourage their aspirations to become executives and provide opportunities for them to acquire advanced skills.

Number of female directors and executive officers

19 persons

As of April 2022
(Total of MUFG, the Bank, the Trust Bank, The Securities, and NICOS)

We support the Keidanren's "Challenge Initiatives for 30% of Executives to be Women by 2030".

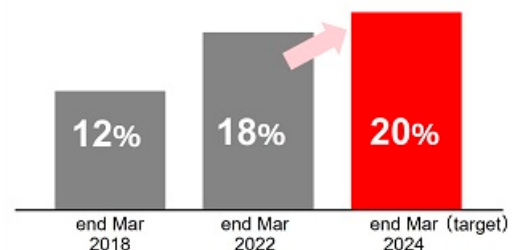
Setting Numerical Targets

At the Bank, the Trust Bank and the Securities, our joint numerical goal is to raise the ratio of women holding positions of line manager or higher to 20% in Japan by the end of March 2024.^(note) This figure is to reflect diverse perspectives and values in areas closer to management, and serves as a milestone to achieve at least 30% in the medium- to long-term. In addition to the joint numerical targets of the three companies, each company has set its own numerical targets to promote the appointment of female employees.

As of March 31, 2022, the ratio of female managers in the Bank, the Trust Bank, and the Securities (combined in Japan) was 18%.

(note) Ratio of women in line manager or higher positions.

Ratio of women in management



Ratio of women in line manager or higher positions in the Bank, the Trust Bank and The Securities in Japan

Action plan based on the Act on the Promotion of Women's Participation and Advancement in the Workplace

MUFG Bank	Action Plan (PDF / 251KB) (in Japanese)
Mitsubishi UFJ Trust and Banking	Action Plan (PDF / 146KB) (in Japanese)
Mitsubishi UFJ Morgan Stanley Securities	Action Plan (PDF / 126KB) (in Japanese)
Mitsubishi UFJ NICOS	Action Plan (PDF / 167KB) (in Japanese)
ACOM	Action Plan (PDF / 124KB) (in Japanese)

Implementing a Variety of Programs for Women

The Bank, the Trust Bank and the Securities hold regular roundtable discussions participated in by executives and female management from the Group companies as well as a "Mentoring Program", where mentors assigned to female senior managers provide them with supports for career development and their personal growth. For mid-level employees, we conduct "WILL^(note) Training Program," a joint training for selected female employees in the three companies, providing complementary opportunities to acquire skills such as strategy building and logical thinking, while sophisticating their corporate management perspective and big-picture perspective for their future success in higher-level positions. In addition to providing online networking opportunities for those who wish to consult with such as senior employees on issues related to balancing career and life events, the Group also offers a variety of programs at each Group company in response to each perceived issue.

(note) Women's Initiative for Leadership and Learning

Programs according to career stage (example)

Level	Program
Management	<ul style="list-style-type: none"> • MUFG Leaders Form (executive roundtable meeting) • Executive mentoring • Job-level based training
Mid-level	<ul style="list-style-type: none"> • WILL Training Program (training for executive candidates) • External training • Job-level based training
All levels	<ul style="list-style-type: none"> • Job-level based training • Networking (career roundtable etc.) • Job Challenge (In-house Posting System)

Initiatives of Group Companies

MUFG Bank

In 2022, we have expanded the base of the mentees to younger talents in the Mentoring Program and significantly increased the number of the participants. We will provide opportunities for management candidate females to acquire management perspectives at an early stage and further accelerate the promotion of female employees to management positions. In addition, we have established WIN-Japan, an employee community for women using Microsoft Teams, to create an environment where female employees can easily connect and communicate with each other at any time.

Mitsubishi UFJ Trust and Banking

The Bank hosts a four-month program designed for candidates for management positions, the Women's Leadership Program, that involves their superiors and supports their growth through assessments and interviews.

Mitsubishi UFJ Morgan Stanley Securities

We conduct training for managers and managerial candidates. For 5th year employees, training aimed at formulating a career vision and eliminating unease relating to life events and one's career is offered. In addition, a town hall meeting for female employees was held online, with three female executives taking the stage.

Mitsubishi UFJ NICOS

With the aim of supporting the autonomous growth opportunities of each employee, we provide career advice by holding seminars on career planning, follow-up seminars after changing career track, and assigning mentors to managerial candidates.

ACOM

ACOM provides a Career Design Program to help female employees continue working, fulfilling careers. It holds panel discussions participated in by female employees who actually balance work and childcare, providing an opportunity to consider and overcome the barriers that women face in their careers.

Programs to Support Continuation of Career

To support the continuation of career, we established programs for re-employing ex-employees who left the company when their spouses were transferred abroad, giving a special leave of absence and changing work locations.

VOICE

A career choice for female officers to work overseas with their children

It has been a long time my wish to work outside of Japan since I joined the Bank. It didn't change even after getting married and becoming a mother of 2 children. At the time, there was no precedent for a woman to be posted from Japan to overseas with her child, but my boss encouraged me to make it happen, saying that overseas posting with childcare could be an option for career development. I gathered the information to see what the living environment would be like if being posted to overseas with my children. This included local childcare system, schools, and medical care, and assumed several cities where I thought it would be easier to balance parenting and working. I even interviewed with an HR office in one of the Japanese trading companies that has many female expatriates overseas. And just as I was convinced that an intended female office should be able to go abroad with a child, I was given a notice to transfer to Singapore. I took my two sons who were at the age of 9 and 5 years old. In Singapore, I learned that the best solution can be found after giving out various opinions while taking into account of the differences in values with local staffs as well as cultural and social differences. Although it was unexpected that we could not return to home country for 2 and half years due to the Covid-19 pandemic, it was a very valuable experience for me and my children that we could spend time to explore local cultures in Singapore. Taking on an unprecedented decision may come along with a risk. However, like my boss at the time who courageously supported my assignment overseas, I hope to be a manager who can make decisions based on my own axis aiming for the transformation of MUFG.



Mai Kaga

**Managing Director, Head of Trade
Product Sales Department
Transaction Banking Division
MUFG Bank**

People with Disabilities

We are expanding roles for employees with disabilities by establishing special subsidiaries that offer suitable work options. Currently, about 1,400 employees with disabilities are playing an active role within MUFG and the Group's employment rate is 2.56%^(note) in Japan (as of June 1, 2022).

(note) The employment rate in Japan is calculated from the number of employees with disabilities at the Bank, the Trust Bank (for these two companies, special subsidiaries and the Group companies to which the exception rule applies are included), the Securities, NICOS and ACOM using the statutory formula set in the Employment Rate System for Persons with Disabilities.

Number of people with disabilities

**Approx.
1,400**

Ratio of employees with disabilities

2.56%

As of June 1, 2022. The employment rate in Japan for the Bank, the Trust Bank (including special subsidiaries and group affiliates for these two companies), the Securities, NICOS and ACOM was calculated using the formula stipulated in the Employment Rate System for Persons with Disabilities.

Establishing Special Subsidiaries

The Bank and the Trust Bank established special subsidiaries and aim to help each employee play a role commensurate with their ability and aptitude, as well as attain job reward and contribute to society as a result.

Mitsubishi UFJ Business Partner (Special subsidiary of the Bank)	The company was originally established in 1996. MU Business Aid and MU Business Partner merged in April 2020 and restarted under a new name and organization structure. A total of about 370 employees with disabilities at four locations in Kanagawa, Tokyo, Osaka and Aichi prefectures work in an environment where the characteristics of their disabilities are taken into consideration.
Ryoshin Data (Special subsidiary of the Trust Bank)	Established in 1979. A total of about 60 employees with disabilities at three locations in Tokyo work on their tasks. Since most of the employees are hearing-impaired, the company takes specific measures: they are alerted to visitors and emergencies by tri-color PATLITEs and share a volume of work of the day and work progress on a large display monitor. Voice recognition application is used for meetings and trainings.

"Activities to Support People with Disabilities" in Promotion of Inclusion & Diversity Initiatives through Financial Functions and Social Contribution Activities

Improvement of Workplace Environment at Group Companies

Each Group company endeavors to create a comfortable workplace environment for employees with disabilities. The Bank provided its hearing-impaired employees with iPads with a voice recognition application that converts speech into text data and installed warning lights (PATLITE) in the rooms. For visually impaired employees, the Bank introduced text-reader software that converts text on PC into voice. Some employees come to work with their guide dogs.

VOICE

A rewarding company where a person can work with job satisfaction while fulfilling their own potential

I was wheelchair-bound after a snowboarding accident, but after two years with the company I discovered para rowing, and since then I have been able to balance work and athletic activities and have competed in the Tokyo 2020 Paralympic Games.

At first, I was worried that balancing work and competitions would mean that I wouldn't be able to achieve sufficient results in either. However, I came to think, as an employee, I was in a position to mentor junior staff as a leader, while as a competitive athlete, I was in a position to start from scratch and receive guidance. I began to think that I could take advantage of the differences in both, leading to my own growth.

We have many athlete employees or those excel in the arts and creation, and I strongly feel the culture of supporting the growth and challenges of each and every employee, such as the support programs for athletes with disabilities, holding in-house private exhibitions, and subsidizing expenses related to the acquisition of qualifications for self-development. When I was elected for the Paralympic Games, my friend colleagues supported my challenge. Each day I feel that MUFG is a rewarding Group where a person can work while fulfilling their own potential.



Tomomi Ichikawa
Mitsubishi UFJ Business Partner

LGBTQ

MUFG Human Rights Policy Statement

MUFG clearly prohibits any harassment or discrimination on the basis of sexual orientation and/or gender identity, aiming to create workplaces where all employees can stay true to themselves, regardless of sexual orientation, gender identity, etc.

[Policies and Guidelines](#)

Providing Training Opportunities and Publishing a Handbook

Each Group company conducts e-learning and other trainings that include case studies to help them acquire correct understanding and raise awareness for the prevention of discrimination and prejudice. We publish *LGBTQ Handbook* for Workplaces, which outline the attitudes to be taken in the workplace and how to deal with situations that may occur. It has been used mainly by superiors of LGBTQ employees. In February 2022, we held a workshop to think about inclusive books and picture books depicting sexual diversity.

Recognition of Same-Sex Partnership

The Bank, the Trust Bank, the Securities, NICOS, MUS Business Service and MUS Information Systems have introduced a same-sex partnership recognition program that regards employees' same-sex partners as being equivalent to opposite-sex spouses and that allows them to be beneficially of company benefits such as special paid leave and rent subsidies.

Effort to Visualize Allies

As part of our efforts to foster an LGBTQ inclusive workplace, we created original straps in six rainbow colors and distributed them to employees who wish to wear them. Making Ally, a person who supports LGBTQ, more visible in the company and providing an opportunity for other employees to become aware of the existence of LGBTQ people.



Rainbow-colored strap distributed to Allies

Pride Month

Events that show support for the LGBTQ community are held all over the world every year in June, which has been designated as Pride Month.

MUFG's US sites displayed Pride Month messages at ATMs and other locations at branches on the West Coast during the month of June and held a campaign called "Show Your Colors" to solicit photos of employees wearing rainbow-colored clothing, among other activities.

At our European sites, we held pride art exhibitions to exhibit works by LGBTQ artists in the lobby of our European Headquarters building as well as film screenings.

In Japan, in addition to announcing Pride Month on the Group Portal site, we are also working on employee participation-based activities, such as soliciting ideas for social contribution activities that can perform as an ally through the Pride Alliance, an employee community using the Microsoft Teams.

Senior Personnel

MUFG actively supports the creation of workplaces where senior personnel can flourish, continuing to make the most of their wealth of experience and abilities while supporting their own career development. For employees who have reached a particular age, we have introduced training and programs to facilitate skill development with the aim of supporting future career development based on diverse values. For motivated employees above retirement age, we have established a continuous employment system with flexible work arrangements to provide stable work opportunities and respond to diverse employment needs.

Global Personnel



Human Resources Strategy "Integrated Management of Human Resources around the Globe"

Mid-career Hires



Human Resources Strategy "Improve Productivity and Nurture Professionals"

Support for Balancing Work and Personal Commitments

We are striving to create a workplace environment in which each and every one of our diverse employees can demonstrate their ability while keeping a balance with their personal commitments.

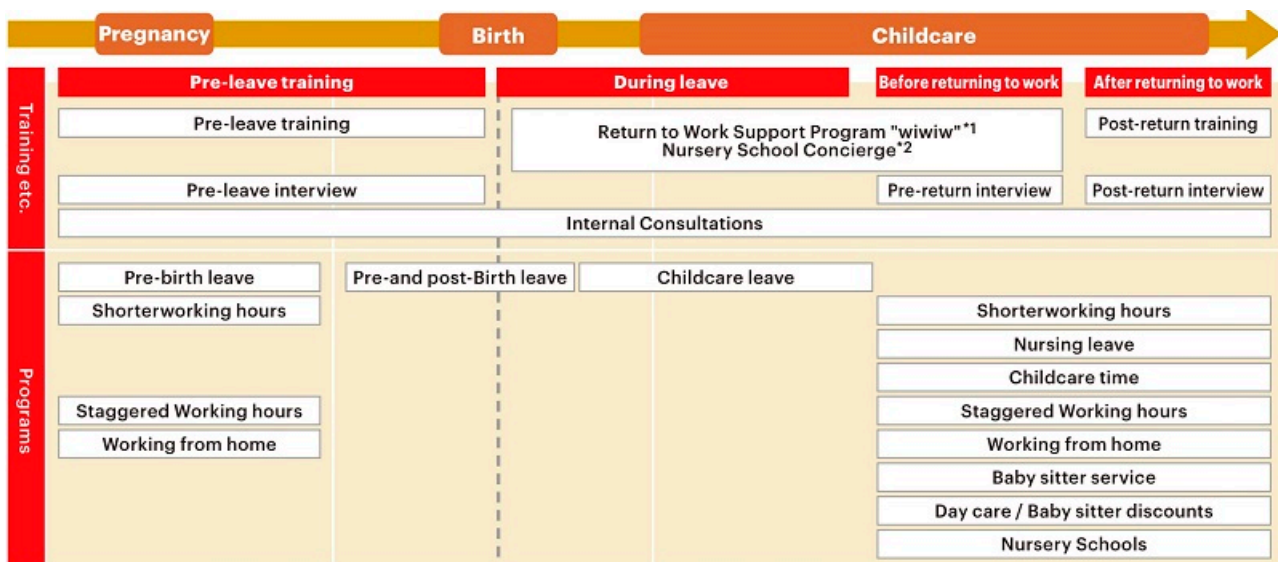
Support for Balancing Work and Childcare

MUFG has introduced systems and programs to support employees who do childcare and housework, regardless of gender. In addition, we are striving to create a corporate culture that encourages all employees to work efficiently and productively in a flexible manner, by encouraging male employees to participate in childcare.

Supporting a Smooth Return to Work

Pre-and post-leave training, economic support and programs that allow for flexible work styles have been Established to extend full support for continuous career development. Since FY2021, the Bank, the Trust Bank and the Securities have jointly held post-childcare leave training programs to provide employees of the three companies with opportunities to think about how to work after returning to the workplace.

Representative Training and Programs



^{*1} An online service that help employees catch up with the pace at an early stage after returning to work by delivering online courses, supporting communication with the workplace and providing information from the company

^{*2} A service to introduce childcare facilities

Initiatives of Group Companies

Mitsubishi UFJ NICOS

We provide opportunities for employees, regardless of gender, with children of elementary school age or younger to focus on themselves and exchange information on themes such as balancing work and childcare, their future career plan, and self-improvement.

Master Trust Bank of Japan

We hold the "Communication Circle for Working Mothers" where employees who are on childcare leave can participate with their children and exchange information with seniors who have returned to work. In addition, we continue to provide support for balancing work and private life after returning to work.

VOICE

I will never give up on my children or my career

I did not want to give up on either my childcare or my career, so I made full use of all the programs, including telecommuting, staggered working hours, hourly paid leave, and babysitting services, while consulting with my superiors, colleagues, and sometimes with the Inclusion & Diversity Office. In particular, we use babysitters frequently because our relatives live far away and we request hand-picked sitters when one of our children has a fever or when the daycare center requested us for voluntary absence. We can trust them as they record and report in detail how our children are doing. We also value our connections in the community and are very fortunate to have family support and friends who are mothers and fathers both inside and outside the company.

A few years after giving birth to my first child and I returned full-time, I became a manager. I was conscious of achieving results amid time constraints and I realized that certain people surely evaluate me no matter how my given situation is.

Since I became a manager, my range of work has expanded and has become more enjoyable, but I am busier, after I gave birth to my second child, with work and childcare of two children. Rather than trying to do housework and childcare alone, I manage my time with my family while getting more cooperation of those around me, and my husband, which allows us to collaborate together. At work, I do my best every day to make my customers satisfied. I hope that people think of me like "Although her work seems tough, it looks like she is happy with her job."



Ayaka Koike

Senior Manager
Corporate Agency Business Division V
Mitsubishi UFJ Trust Banking

Encouraging Male Employees to Participate in Childcare

In order to create workplace environments that allow employees to balance work and childcare regardless of gender, MUFG Group companies are carrying out initiatives to encourage male employees to take childcare leave, thereby raising awareness on more balanced work styles and promoting better understanding of colleagues who are working while raising children. Since FY2019, we have begun encouraging male employees to take childcare leave of about one month, among other initiatives.

Ratio of male employees taking childcare leave

The Bank **98%**

The Trust Bank **91%**

The Securities **100%**

Percentage of the use of the leave by male employees of each subsidiary whose eligibility for childcare leaves expired in FY2021

Initiatives of Group companies (Figures in the heading indicate the percentage of male employees taking childcare leave in FY 2022)

MUFG Bank (98%^(note1))

Starting in FY2019, the Bank is encouraging employees to take days off for 20 working days for the purpose of childcare, by combining 10-working-day paid childcare leave with 10-working-day annual paid leave, and it was named Ten Plus Ten. It also internally announces the names of the departments of employees who have taken 20 working days off. More than 300 employees have taken childcare leaves so far, after contacting the employees and their supervisors to promote the acquisition of the leave and introducing examples of experienced employees balancing work and family life.

In FY 2021, we launched an employee community called "IkuKyari Lounge" using Microsoft Teams for working fathers and those soon to be fathers.

In fiscal 2021, we launched an employee community called "Iku Kyari Lounge" using Microsoft Teams for working fathers and those soon to be fathers.

Mitsubishi UFJ Trust and Banking (91%^(note1))

Since FY2019, we have encouraged male employees to take childcare leave by setting a target utilization rate of 100%. From FY2021, we also have recommended them to take the leave for at least five business days. Emails are sent to male employees who have had babies and their supervisors to encourage them to take the leave. In addition, it also promoted the leave by providing examples of use and clarifying the necessary procedures to take the leave.

After setting the target, the ratio of male employees taking childcare leaves increased significantly (previously it was around 20%), indicating that MUFG is fostering a culture in which male employees can naturally participate in childcare.

Mitsubishi UFJ Morgan Stanley Securities (100%^(note1))

Since FY2016, the company has been encouraging male employees to take childcare leave by setting a goal of 100%.

Eligible employees and their superiors are notified of the procedures to take this leave. Opportunities for all employees to be aware of the necessity are increased by introducing in the company newsletter how the male employees participate in housework and childcare. Through these initiatives, the corporate culture is gradually changing so that male employees participate in childcare as a matter of course. Recommendation of the Ten Plus Ten program was also started concurrently with the Bank.

Mitsubishi UFJ Information Technology (89.6%^(note2))

The president sends email messages congratulating male employees who have recently become fathers. In order to promote timely taking of childcare leave, departmental managers encourage male employees to take unused leave.

Master Trust Bank of Japan (100%^(note3))

Since FY2019, Master Trust Bank of Japan have set our goal to let all eligible male employees take childcare leave.

They notify employees of childcare leave eligibility and send emails encouraging them to take it.

【Calculation methodology of the rate of childcare leave use by male employees (in FY 2021)】

(note1) Percentage of the use of the leave by male employees whose eligibility for childcare leave expired in FY 2021

(note2) Percentage of the use of the leave by the end of FY 2021 by male employees whose spouse gave birth in FY 2020

(note3) Percentage of the use of the leave by male employees whose spouse gave birth in FY 2021

Information Provision to Those Balancing Work and Childcare

We provide information for those who want to balance work and childcare by issuing such publications as HUGKumu, a booklet for male employees, and Casebook for Overcoming the First Grade Barrier^(note) for employees who are concerned about the work style after their children enter elementary school. We collected the voices of those who had experienced childcare and made such publications that would communicate the importance of men's involvement in childcare and housework, well-thought ways to efficiently handle childcare and housework while working and hints and actual cases that can be used to realize a more flexible work style. These are not only helpful to employees with children, but also help their superiors and coworkers understand the realities of balancing work and childcare.

(note) The coined term to describe such situations of being forced to change one's work style after a child enters elementary school as the difficulty of receiving extended day care in the evening, summer vacations, emergency school closures, and PTA activities.

MUFG Nursery Schools

In order to solve the social issue of a lack of nursery schools in Japan and to support the swift return of approximately 4,200^(note) employees taking childcare leave, two nursery schools were opened in Tokyo, thereby supporting a balance of work and childcare.

(note) Total number of childcare leave takers at the Bank, the Trust Bank, the Securities, NICOS and ACOM in FY2021.

VOICE

Two times childcare leaves enable me to make the most of my time

Last year, I took my second childcare leave at the time of the birth of my second child. Both men and women normally take childcare leave here at MUFG. Although I felt sorry for our team members during the busy season, I took childcare leave with the birth, thanks to the cooperation given by those around us. When my first child was born, my wife was working on Saturdays and Sundays, so I was satisfied with the idea that I was raising my child on those days. As the number of people working from home increased due to the COVID-19 pandemic, I witnessed firsthand the difficulty my wife had during the day. After the birth of my second child during the Covid-19 pandemic, I try to reduce the times that my wife has to take for the children alone as much as possible and actively engage in childcare so that I can free my wife from home as much as possible on Saturdays and Sundays. On weekday, in order to return home as early as possible, I think I have come to devise how to use my time to the utmost extent and how to efficiently promote my own tasks within the limited time so as not to interfere with my work. Since we have limited time, we have had courage to throw away what we should give up on the tasks of the entire team. As a result, we have been able to reduce the overtime of the team and promote the taking of leave as well. I would like to continue to carry out my work in a planned manner, keeping in mind that I will proceed with my work and housework efficiently.



Yasushi Kitane

Chief Manager
Global Markets Engineering Office
Mitsubishi UFJ Morgan Stanley Securities

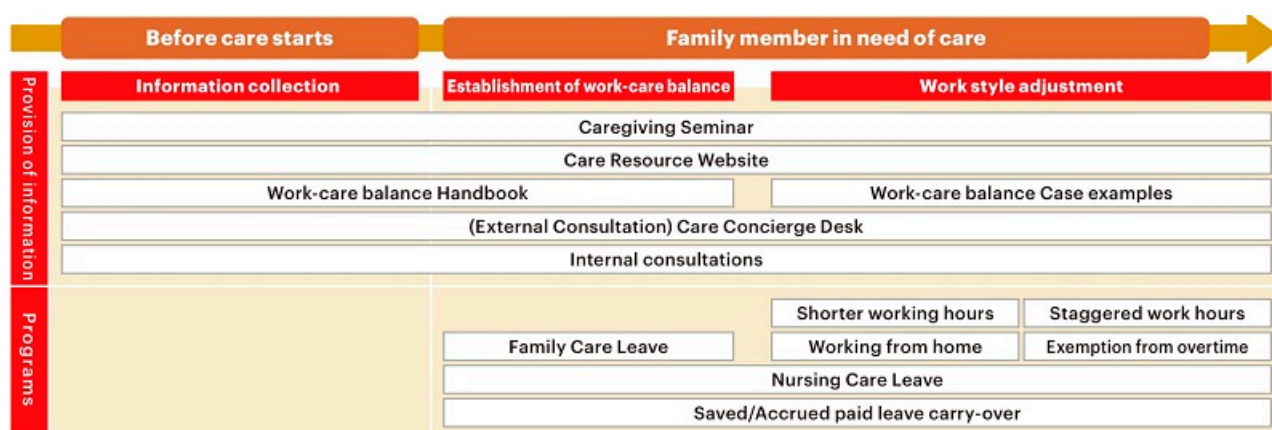
Support for Balancing Work and Caregiving

By 2025, all baby boomers in Japan (born between 1947 and 1949) will be 75 years of age or older. The increase in the number of elderly people needing nursing care and the resulting increase in the number of people leaving jobs to take care of their family members are expected to become major social problems.

Under such circumstances, MUFG established a variety of support programs, in addition to the provision of a variety of information, to help employees balance work and caregiving so that they could continue to work while taking care of their family members in need of nursing care.

Balancing Support Programs

Representative Training and Programs



Provision of Care Information

We had seminars, each of which was attended by about 800 employees from about 40 Group companies. In response to the Covid-19 pandemic, however, we enhanced distribution of on-demand seminar videos for different themes since FY2020. In FY2021, a lecture was held by employees with experience in balancing work with care in order to share how to actually achieve this balance.

Work-care Support Services (Care Concierge Desk/Care Resource Website)

For our employees and their families, we introduced a concierge service by specialists and a nursing care information website that allows employees to search for nursing care facilities and services.

We are preparing an environment where employees who are caring for someone, as well as those who want to prevent such a situation or those who may need to give care in the future, can consult with care professionals and gather information as needed via telephone or email.

Handbook and Casebooks

We issued a Work-Care Balance Handbook with basic information on work-care balance so that employees can respond smoothly in the event that they suddenly need to care for a relative.

Sharing Case Studies on Balancing Work and Care

For those actually engaged in care, we also issue a Balance Casebook and Experience Stories featuring examples of difficulties faced during caregiving and advice on what to prepare beforehand. In addition, we have established “MUFG Carers”, an employee community using Microsoft Teams to provide a place where employees who are balancing work and care can connect with each other and exchange information on care.

VOICE

Feedback from Seminar Participants

- I learned that I need to continue with work even when faced with the responsibility of providing care and that it is necessary to think carefully about how to balance the two.
- The lecture was very helpful as it presented in detail the feelings of the care recipients, the mental attitudes of caregiver, as well as the financial aspects and cooperation with those around them in order to use care services to the fullest in the future.
- My aunt, who is in need of care and who says she does not want to live in a facility, attended the seminar with me and she remarked that she had to think about it gradually. I am glad that I participated.
- I now have a concrete picture of what I need to do, including holding family discussions, which is very important, and making use of my community's comprehensive support center.
- I was able to understand the points that should be considered for my subordinates. It was a good content that I can use in the future.

Feedback from e-Learning Trainees

- I realized once again that it is important to acquire knowledge for myself as well as for my colleagues.
- I would like to collect more information so that my colleagues and I can confidently face care responsibilities at any time.
- It was a good opportunity to find out that I did not have any concrete plans established. I would like to think about care together with my family.
- With the understanding of the people around me, I am somehow managing care. This kind of training makes me feel better.
- I was previously under the impression that I would have to retire if I needed to take care of my parents. It was very helpful for changing my mind.

Support Balancing Work and Infertility Treatment

With the growing tendency of late marriage in Japan, the number of couples undergoing infertility treatment is increasing. MUFG supports employees who work and undergo such treatment.

Support Programs for Balancing

Each of our major companies offers support systems, such as special paid leave, a flexible work hour system, and other support programs that can be used regardless of gender.

Issuing Guidebooks

MUFG published a Guidebook to Support the Balancing of Work and Infertility Treatment for employees undergoing treatment, their superiors and coworkers, and those who are considering treatment in the future. It is used to create a workplace environment that makes it easier to balance work and treatment.

Creating an Inclusive Workplace

Raising Management Awareness

The awareness of managers is one of the important factors in determining the success or failure of inclusion & diversity. We implement a variety of initiatives to penetrate an awareness of the diverse values and private lives of junior employees, enhancing job reward, and producing results.

Providing Various Training

A wide range of training programs is offered, depending on the circumstances and priorities of each Group company. The Bank, the Trust Bank, and the Securities hold training sessions for newly appointed general managers, chief managers and senior managers to teach them the importance of being aware of unconscious biases and building a team with psychological safety in order to develop organizations and teams where each of the diverse employees can play an active role. For existing managers, we prepared opportunities to deepen their understanding of inclusion & diversity and to reflect on themselves through e-learning, on-demand video and personnel evaluation and other programs.

Initiatives of Group Companies

Mitsubishi UFJ NICOS

We regularly hold seminars for managers every year to provide hints on new management styles in response to changes in the social environment, provide opportunities to reflect on themselves, and practice diversity management.

ACOM

Leadership enhancement training is provided to improve organizational capabilities. Participants learn how to enhance their mindset as a leader, acquire one-on-one skills, and improve their ability to build relationships in order to facilitate the growth of subordinates.

Culture Creation

We are implementing a variety of initiatives to develop a corporate culture in which the diversity of employees is mutually recognized and respected.

Inclusion & Diversity Month

The Bank, the Trust Bank and the Securities have designated November of each year as Inclusion & Diversity

Month (formerly Diversity Month), and training as well as workshops are held at all Group locations in Japan. The companies focus on a hot topic, such as Unconscious Bias, and create opportunities for employees to consider inclusion & diversity as an issue that could exert influence on themselves.

Enlightenment through Group Portal Site

Various columns on the theme of Inclusion and Diversity are serialized to promote understanding and raise awareness among employees.



Raising Awareness about Unconscious Bias

Since FY2019, we have been focusing on raising awareness about unconscious bias. In addition to awareness-raising training for all employees, we also provide training for newly appointed managers to raise their awareness about unconscious bias. In FY 2022, we published Unconscious Bias Handbook, which includes guidelines for inclusive expression in addition to a series of columns that allow us to learn about bias through comics.



Promotion of Flexible Work Styles

Each company is working on initiatives to increase productivity and promote a healthy work-life balance, such as introducing telecommuting system, staggered working hours, flexible time system, and non-territorial offices.

Create a Workplace

Promoting Understanding among Family Members

In FY2021, the Bank, the Trust Bank, and the Securities co-hosted the “MUFG Family Festa” in August during summer recess. The event was designed to be enjoyable for both individuals and families with sessions ranging from those that deepened each employee's understanding of MUFG and diversity to those that intended for family members.



Employee-Driven Inclusion & Diversity Promotion

MUFG provides opportunities for employees to take initiatives in promoting Inclusion & Diversity.

Japan Base

MUFG Bank

We have established an online community where like-minded employees can connect each other across organizational boundaries. Participants can freely transmit information and exchange opinions with each other, which also leads to activities performed by volunteer members.



For women

- Experience the thoughts of other women and gain awareness and knowledge
- Feel a sense of connection and unity between women and take the initiative in thinking about their careers



For those who want to be LGBTQ allies

- LGBTQ allies connect and gain a sense of unity
- Participants exchange information/opinions and get to know each other



For those who are balancing work with nursing care, those who have done so, and their supervisors and colleagues

- Connect with people involved in care and gain a sense of unity
- Exchange information and opinions each other



For men who are balancing work with family life, and for soon-to-be fathers who are planning to balance work with family life

- Gain awareness and learn from how other men balance work and family life
- Balance work and family life with vitality while enhancing a sense of unity among working fathers

Mitsubishi UFJ Information Technology








In FY2021, MUIT launched the "Happiness & Engagement Ambassador Activity" with the aim of becoming "Wakuwaku Suru MUIT" - a company where employees are happy and highly engaged. We pick up themes that have high employee needs and those that we want to improve or reform, and implement a variety of initiatives through "ambassador" employees gathered from the front lines (such as the "Thanks Card" that conveys gratitude to each other, the revision of the system to realize diverse work styles, and various initiatives on the theme of the "feeling of growth"). By promoting proactive initiatives by employees, we aim to be a strong and enjoyable company that can change in a sustainable manner.

Global basis

In EMEA and Americas, the Employee Resource Groups are working to foster an inclusive workplace culture.

EMEA Base (Employee Resource Network)

The seven employee networks play a critical role in building a culture of inclusion at MUFG and a working environment that embraces the diversity of our people.

 Disability Network	 Gender Diversity Network	 LGBTQ+ & Allies Network	 Multicultural Network
Forum that acts as a resource and support network for all employees impacted by any form of disability	Network with a vision is for MUFG to be a gender-balanced organization	Open forum network to celebrate and drive LGBTQ+(note) inclusion with the support of Allies	Network that helps MUFG and its employees get the maximum benefit from our cultural diversity
 Family Network	 Social Mobility Network	 The Social Network	
Network that helps MUFG to be a "best in class" family-friendly organization of choice	Network committed to creating a culture where employees feel like they belong at MUFG regardless of their socioeconomic background	Network to help to break down silos, encouraging better communication and teamwork across the business	

(note) General term for sexual minorities, which stands for lesbian, gay, bisexual, transgender, and queer. The "+" means being open to all kinds of diversity

Americas Base (Enterprise Resource Group)

Here, the employees are carrying out independent activities aiming to create a workplace where a diverse range of people can thrive, regardless of race, ethnicity, etc.

<div> <div>Adelante</div> <div>Hispanic/Latino Enterprise Resource Group</div> </div> <div>Hispanic/Latino</div>	<div> <div>NextGen Leaders</div> <div>Generational Enterprise Resource Group</div> </div> <div>Generation</div>	<div> <div>PULSE</div> <div>African American/Black Enterprise Resource Group</div> </div> <div>African American/Black</div>	<div> <div>WIN</div> <div>Women's Enterprise Resource Group</div> </div> <div>Women</div>
<div> <div>ASPIRE</div> <div>Asian Pacific Islander Enterprise Resource Group</div> </div> <div>Asian American and Pacific Islander</div>	<div> <div>Pride Alliance</div> <div>LGBTQA+ Enterprise Resource Group</div> </div> <div>LGBTQ and Ally</div>	<div> <div>SERVE</div> <div>Veterans' Enterprise Resource Group</div> </div> <div>Veterans</div>	

Promotion of Inclusion & Diversity Initiatives through Financial Functions and Social Contribution Activities

Issuance of Gender Bnds by Krungsri (Bank of Ayudhya)

Krungsri (Bank of Ayudhya) has issued social bonds (gender bonds) to support the financial needs of women entrepreneurs. Proceeds from the bond issuance are used to finance women-led small and medium-sized enterprises in Thailand. Through the issuance of these bonds, the bank provided opportunities for the underserved women in SME segment to access financial services and contributed to the development of the fast-growing social bond market in Asia. Through the provision of these bonds, Krungsri was presented with multiple awards and recognition as below.



- 'Best Bank for Women Entrepreneurs' at the Global SME Finance Awards 2021 (International Finance Corporation)
- 1st Runner-Up for the UN Women 2021 Thailand WEPs Awards in the Gender-Responsive Marketplace Category (UN Women)

Social Loans to Help Secure Housing for All People

The Bank provided a social loan to a rental housing business provided by Fortress Investment Group (Fortress) to people with housing needs. Focusing on the social issue of shortage of housing for low- and middle-income people, Fortress has expanded the use of government-run employment promotion housing for job seekers to include foreigners, single mothers, the elderly, and other people who have difficulty securing housing. It is operated as low-priced rental housing. MUFG supports the provision of funds to provide safe and secure rental housing with simple rental procedures and low rent for all.

■Examples of increasing the value of exterior and common areas



[Source: Fortress document]

Appointment to Lead manager for Bond Issue to help Solve Inclusion & Diversity Issues

The Securities supports smooth financing by serving as lead underwriters in various bond issues that contribute to the promotion of Inclusion & Diversity in society.

Related area	Issuer	Overview	The Role of MUFG
Diversity	Mitsubishi Estate Co., Ltd.	Supported Japan's first Sustainability Linked Bond issue with setting a target for the ratio of female managers, etc. as trigger conditions for changes in bond characteristics.	Book runner
Nursing Care, Universal Design	Tokyo Metropolitan Government	Supported the issuance of social bonds which aim to improve the infrastructure of nursing care services and to make public facilities barrier-free and universal design-compliant.	Book runner
Gender	Japan International Cooperation Agency (JICA)	Supported the issuance of gender bonds (social bonds) to finance projects that strengthen efforts to address gender issues that have further undermined women's human rights and equity in developing countries in the wake of the Covid-19 pandemic.	Book runner

Donations for Supporting Women's Health

As part of our efforts to support women's health, we made a donation to the Japan Society of Fertility Preservation in order to spread accurate information on breast cancer and cervical cancer (methods for early detection and prevention, etc.). In recent years, cancers specific to women have become more common among younger ages, with an increasing number of cases occurring in their 20s to 40s. Amongst them, breast cancer is the most common followed by cervical cancer. Continuous medical examinations are important for early detection of cancer. In particular, the medical examination rate of cervical cancer, which occurs among those in their 20s and requires screening at a young age, is as low as 25.7%. Also, the HPV vaccination rate is low.

MUFG believes that it is important to realize a society in which women can build life plans with peace of mind and play active roles in various situations. Through the Japan Society of Fertility Preservation, MUFG will promote early detection and prevention methods such as continuous medical examinations for cancer among young women.



Activities to Support People with Disabilities

In FY2021, based on the ideas of our employees, we donated a total of approximately eight million yen to 20 organizations supporting people with disabilities throughout Japan, and participated in activities to support people with disabilities and their families together with each organization.

Major Activities

- Project for learning about "Parent and Child Respite," which supports children with intractable diseases and their families
- Project to support the independence of children with disabilities around the world and to realize a barrier-free society
- Project for providing temporary daycare support for people with disabilities to help them during the Covid-19 pandemic
- Project to support the creative activities of people with disabilities
- Project to support after-school childcare clubs with inclusion of children with disabilities

Mitsubishi UFJ Business Partner (a special subsidiary of the Bank) supports the employment of students with disabilities by giving lectures on career and employment at support schools where employees with disabilities graduated.

Activities to Support LGBTQ

Sponsoring the Largest LGBTQ Pride Event in Japan

We support and sponsor Tokyo Rainbow Pride*, held annually at Yoyogi Park in Tokyo. In 2021 and 2022, collaborating with Mizuho Financial Group and Sumitomo Mitsui Financial Group, MUFG participated in the event. The three companies hosted online booths, posted in social media, and created video messages that were used in the online booths, communicating their messages to society.



(note) This is organized by an NPO, Tokyo Rainbow Pride and one of the largest awareness-raising events in Japan where LGBTQ people and their Allies get together. We use the rainbow-colored corporate logo to show our support for the event.

Donations to NPO

In FY2021, we made a donation to Nijiirō Diversity, a non-profit organization that provides supports for LGBTQ community, to help purchase books on LGBTQ issues and bookshelves to be provided at their new facilities.

Implementation of a Variety of Universal Support

Universal Design

In order to ensure that all customers can use our services with peace of mind, MUFG is working to introduce universal design in both software and hardware, including customer service (hospitality) that takes all customers into consideration and the creation of safe and secure stores (facilities).

Promoting for Customer Satisfaction

Provision of Information to Customers

We provide MUFG's Inclusion & Diversity initiatives to various customers, as well as opportunities for MUFG's female managers to talk about their career paths, supporting promotion of Inclusion & Diversity among our business partners.

We also offer consulting services in cooperation with Mitsubishi UFJ Research and Consulting. Mitsubishi UFJ Business Partner (a special subsidiary of the Bank) hosts in-house tours to share initiatives and knowledge related to the employment of people with disabilities, contributing to the expansion of employment opportunities for people with disabilities in the society.

Create a Workplace

Fundamental Concept

Mitsubishi UFJ Financial Group (MUFG) has established the MUFG Human Resources Principles as its basic approach toward realizing human resource management in line with the MUFG Way. Along with the MUFG Way, our basic code of conduct, the MUFG Human Resources Principles are shared and communicated with all MUFG Group employees through training at the time of hire as well as in-house training and are also publicized on MUFG's website.

Initiatives of Group Companies

Compliance with Laws and Regulations

MUFG Group companies regularly monitor working conditions to ensure compliance with the laws and regulations of the countries and regions in which they operate and strive to improve working environments and working hours. Each company is also compliant with the Act to Promote Work Style Reform that came into effect in April 2019. Items being monitored include whether there are violations of Article 36 on overtime work and minimum wage violations, and the number of work-related accidents.

Reducing Overtime

MUFG regularly monitors overtime hours and the number of employees who work long hours, with the entirety of the Group working to improve working environments. Group companies record PC log-on and log-off times for daily work management and in addition to accurately ascertaining each employee's work status, management operates with an awareness of limits set on working hours and the intervals within which employees work. Additionally, MUFG is striving to correct long working hours by optimizing operations through the use of RPA (Robotic Process Automation), setting target times for leaving the office, and establishing early finish days. As a result, progress is being made on reducing overtime hours for employees in Japan.

Employee Health Promotion

MUFG companies have occupational physicians and counselors for managing the health of employees through offering follow-up health checkups based on the results of routine medical exams, conducting consultations with employees about issues of overwork and so on. The companies also work with doctors and counselors in ensuring the mental health of employees. Stress checks and so on are also implemented as part of the effort to preserve the mental and physical wellbeing of employees.

Promoting Workstyle Reforms

MUFG has positioned promoting work style reforms as one of the 10 priority issues to be addressed via sustainability management. As we aim to enable employees to realize their full potential, we have promoted the revision of administrative procedures and the streamlining of meeting practices while going paperless and developing infrastructure for remote working. By doing so, we help employees allocate more time to engaging in direct communications with customers and taking on new challenges.

Currently, we are pushing ahead with expanding the scope of banking procedures that can be completed online, believing that improving the efficiency of our financial functions, which constitute a part of social infrastructure, will help society as a whole achieve higher productivity, in addition to making us more productive.

Promotion of Smart Work

MUFG is promoting the active use of remote work and staggered working hours, and employee motivation and work efficiency by realizing a flexible work style that is not restricted by location or time.

The development of a working environment supportive of remote working

Promoting the development of a working environment supportive of remote working by, for example, enhancing satellite offices, facilitating the use of online meetings, and upgrading functions of company-furnished smartphones

Paperless initiatives

With the release of an online business card exchange function, we are promoting the digitization of business cards and the digitization of contracts to promote paperless initiatives.

Promoting Workstyle Reforms

Health and Productivity Management

Our Approach to Health and Productivity Management

MUFG is promoting mental and physical health as part of its efforts to respect employees' human rights and create a pleasant workplace environment with a positive atmosphere. To be concrete, industrial physicians and counselors are stationed at each MUFG Group company to manage employee health through follow-up medical examinations based on the results of regular health checkups and interviews with overworked employees. It also works in liaison with external doctors and counselors to address employees' mental health issues. Another effort is the maintenance of employees' mental and physical health using stress level checks and other measures.

Initiatives of Group Companies

Details	The Bank	The Trust Bank	The Securities
Regular health checkups	○	○ (onsultation rate 100%)	○
Rubella antibody testing	○		○
Establishment of Safety and Health Management Rules	○	○	○
Health Committee meetings	○	○	○
Workplace patrol	○	○	○
Information submission to employees such as distribution of Healthcare Center Human Resources Division Newsletter	○	○	○
Health counseling and mental health care	○	○	○
Regular environment checks in each division, office and branch	○	○	
Stress level checks	○	○ (onsultation rate 90.1%)	○
Support for the cost of influenza vaccination	○	○	
Interviews with overworked employees by industrial physicians	○	○	○
Providing personal consultation and health promotion planning and guidance for employees on the Employees Counselors Division page		○	
Declaration of Health and Productivity management		○	

Certified as a Health & Productivity Management Outstanding Organizations 2022 (Large Enterprise Category)

The Trust Bank was recognized as a Health & Productivity Management Outstanding Organizations 2021 (Large Enterprise Category) under the Certified Health & Productivity Management Outstanding Organizations Recognition Program jointly hosted by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi (Japan Health Conference) three years in a row.

In its Sustainability Activity Guidelines, the Trust Bank states that its goal to be a trust bank that creates a safe and enriching society and a team of professionals that can solve challenges faced by society and customers. To achieve this goal, we believe that the mental and physical health of each employee is of the utmost importance. Bearing this in mind, the Trust Bank conducts health and productivity management for the mental and physical health of employees and the well-being of their families through a variety of initiatives and further respond to the trust and expectations of customers and society.

MUFG Group companies are also promoting initiatives by sharing knowledge on health and productivity management within the Group.

Promoting for Customer Satisfaction

▼ Customer Focus and Initiatives ▼ Universal Support

Customer Focus and Initiatives

Fundamental Concept

We continue to establish lasting relationships with our client by quickly responding to a diverse range of needs, opinions, and requests and making continuous efforts to reflect these in our products and services.

Fiduciary Duties

With the aim of ensuring the thoroughgoing practice of customer-oriented undertakings, the MUFG Group Code of Conduct addresses the importance of “Customer Focus” in Chapter 1, while the MUFG Basic Policy for Fiduciary Duties is publicized to provide unified guiding principles for the Group.

In line with this policy, all Group entities share a commitment to practicing customer-oriented undertakings and endeavor to improve their products and services.

[Fiduciary Duties](#)

Improvements Based on Customer Feedback

MUFG collects, analyzes, and shares the opinions and requests from customers of all Group companies, and we use this feedback to improve our products and services. We continue to attract new customers and establish lasting relationships with them.

Enhancing our System for Collecting Customer Feedback

Opinions and requests we receive from customers are valuable assets of MUFG. The Group companies – the Bank, the Trust Bank, the Securities, NICOS and ACOM - analyze customer feedback received via employees at sales offices, by telephone and by email to make improvements. The five companies received about 184,485 opinions and requests from customers in total in - fiscal 2021, of which 165 were utilized for service improvement.

In response to requests for enhancement of procedures that do not require face-to-face interactions, eKYC authentication, a new authentication method, was introduced in the "Smart Account Opening App" to speed up account number notification, and eKYC authentication was added to the "Mitsubishi UFJ Direct (Internet Banking)" and "Kantan Tetsuduki App" procedures to expand the number of cases where procedures can be completed without face-to-face interactions.

In addition, we are expanding the scope of the app usage, including account cancellation and loss procedures, and will continue to expand our channel services that do not require face-to-face interactions in the future.

MUFG collects, analyzes, and shares the opinions and requests from customers of all Group companies, and we use this feedback to improve our products and services. We continue to attract customers and establish lasting relationships with them.



A cycle of listening to and taking advantage of Customer Feedback

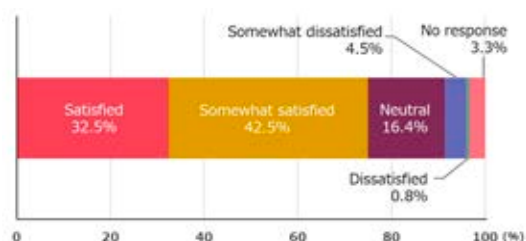
Result for CS Sureveys for Customers

To confirm whether our efforts are meeting customer expectations, each Group company conducts questionnaires via postal mail and online, and regularly checks customer satisfaction (CS) and strives to improve the quality of our products and services.

In a satisfaction survey conducted by individual five business categories in 2021, approximately 60-70% of customers rated their overall level of satisfaction with various transactions as "satisfactory" or "somewhat satisfied."

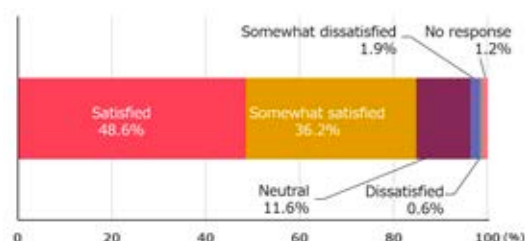
Each Group company will continue to analyze the factors for items that received low evaluations in the questionnaire and work for improvement.

MUFG Bank



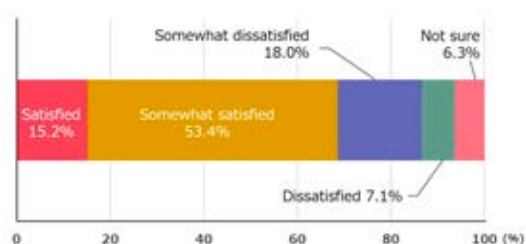
(note) The results of a mail survey of 2,362 customers who have an account in the Bank. (Conducted in December 2021)

Mitsubishi UFJ Trust and Banking



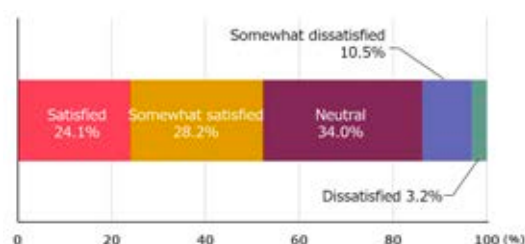
(note) The results of a mail survey of individual customers who made a transaction or had an interview with the Trust Bank most recently (18,949 sending by post, 8,260 responses by post or online). (Conducted in November 2021)

Mitsubishi UFJ Morgan Stanley Securities



(note) The results of an online survey of 479 customers who have an account in the Securities HD. (Conducted from December 2021 to January 2022)

Mitsubishi UFJ NICOS



(note) The results of an online survey of 1,062 NICOS's card holders. (Conducted in October 2021)

Quality Improvement Initiatives

By implementing thorough quality control measures at every stage, from the planning and development to delivery and after-sales servicing of products and services, MUFG aims to provide customers with products and services that exceed their expectations.

Quality Improvement of Products and Services

The Bank, the Trust Bank, the Securities, NICOS, and ACOM assess whether adequate measures are being taken to consider the customer's perspective in the planning and development of products and services.

Employees at both the head offices and local branch offices are always cognizant of the effect their daily work activities have on the customer's evaluation of the company, and therefore strive to provide products and services that exceed their expectations.

Checklist for Putting the Customer First

1. Accurately meets customer needs
2. Pros and cons have been clearly laid out for the customer, and cons, if any, have been properly explained
3. All efforts have been made to make the product easily understandable, including the provision of advertising and information on comparisons with similar products
4. All actions have been taken to prevent customer complaints from occurring, and measures for responding quickly to complaints have been prepared in the event of their occurrence
5. Confirmation that our customers' families, like our customers themselves, have no anxieties about our products and services, have been taken.

Employee Education for Customer Trust

MUFG is actively engaged in educational training and study group efforts that are carefully aligned with the "customer-first principles" and we endeavor to raise each individual employee's level of customer satisfaction awareness and skill.

Each Group company mentioned above is working to improve not only specialist skills, but also communications skills and skills related to realizing customer satisfaction.

Universal Support

MUFG is committed to introducing universal design both in software and hardware aspects. MUFG collects, analyzes, and shares the opinions and requests from customers of all Group companies, and uses this feedback to improve its products and services.

Responding to Customers in a Universal Manner

To ensure that all customers can use our branches with peace of mind, we make an effort to greet people as they enter our locations and provide guidance, thoughtfully offer easy-to-understand explanations and respond in an appropriate and agreeable manner.

Enhancing Reception and Response to the Elderly and People with Disabilities

The Bank and the Trust Bank are working to enhance their response to the elderly and people with disabilities by learning through fundamental case studies about providing in-facility guidance and explanations tailored to various physical characteristics.



The Guidebook for Reception and Response to the Elderly

The Bank and the Trust Bank, in order to deepen understanding and improve response to the needs of the elderly, has published its Guidebook for Reception and Response to the Elderly, and pay close and careful response to the needs of its elderly customers.

Coordination with regional comprehensive support centers

The Bank and the Trust Bank have established the manual for smooth cooperation with the Regional Comprehensive Support Center, to ensure that the dementia customers and their families receive each service safely and securely.



LGBT Response Handbook

The Bank and the Securities have compiled the “LGBT Response Handbook” containing basic know-how and key points when dealing with LGBT, and we aim to conduct service and respond in a manner that makes customers feel comfortable.

Creating Universal Branches

MUFG is engaged in the installation of tactile paving for the visually impaired, the elimination of steps through the introduction of ramps, the installation of automatic doors, and other initiatives to improve the convenience and safety of branch entrances, so that all customers can access our facilities with comfort and peace of mind.

The Bank and the Trust Bank websites contain information about barrier-free facilities, allowing customers to check out branch facilities beforehand.

Pictogram

The Bank and the Trust Bank homepages feature barrier-free related information about their respective branches so that customers can confirm the kinds of facilities there.



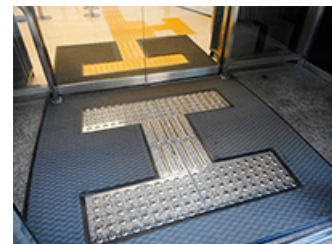
Barrier-free

The Bank branches display a barrier-free mark at entrances and exits.



Braille Block Use

In order to support the visually impaired, metal Braille blocks have been installed in areas between branch entrances and ATM machines.



ATMs for the Visually Impaired

Domestic branches and unmanned ATM corners (with some exceptions) are equipped with handsets (telephone receivers with voice guidance). By using the handset and following verbal instructions, customers can make withdrawals and deposits, check balances, and record and renew their passbooks.



Providing Universal Services

By reducing bank transfer fees, allowing family members to sign forms by proxy and so on, we also provide services that consider the needs of persons with disabilities.

Application of ATM Transfer Fees

We have applied over-the-counter transaction fees to the same level as ATM transfer fees for customers who have visual disabilities or use wheelchairs.

Simplification of Administration by Proxy

In cases where a customer finds it difficult to fill out or stamp a document due to visual or other physical disabilities, it may be possible for an accompanying family member to serve as a proxy, depending on the type of transaction.

Simplification of procedures to allow payment by proxy when the intent of the depositor cannot be verified

When the intent of the depositor cannot be verified, it may be possible to arrange for a family member or other proxy to make necessary payments on their behalf for hospital / treatment fees, care facility fees, or tax / social insurance fees on request (See Note).

(note) Depending on the payment method, the relationship of the proxy to the depositor, and the documents required, there might be cases where the Bank and the Trust Bank unable to comply with such requests.

Handling Braille Cards and Notification Forms

To meet the needs of customers with visual disabilities, the Bank provides cards with customer name and other information indicated in Braille, and Braille is used on notification forms to indicate balance information. From July 2016, the Bank began providing ordinary deposit statement notifications in Braille, in addition to monthly account balances.



Telephone Relay Service (public infrastructure)

The Bank, the Trust Bank, the Securities, and NICOS have adopted the Telephone Relay Service. The Service is provided by the Nippon Foundation Telecommunication Relay Service as public infrastructure to enable mutual communication over the phone through an interpreter operator between sign language or text and spoken language.

- * Available features of the Service may vary by company.
- * For details of the Service, please see [MIC's website](#).

Services Using Sign Language, Written Messages

The Bank and NICOS provide interpretation services, separately from the Telephone Relay Service, for customers with disabilities involving the ears and spoken language, using videophones to connect customers to sign language operators and communicate in writing.

*At the Bank, the services are available only in case of lost or stolen card/passbook (presently in a pilot operation phase).



Communication Board

To accommodate customers with hearing and speech impairments, in addition to tools like writing pad and communication boards, the Bank branches are equipped with tablet devices with applications which support communication by using videophones to connect customers to sign language operators, and handwriting and speech recognition systems.



Consultation Service for People with Disabilities

The Bank and the Trust Bank provide a consultation service enabling customers with disabilities to make a complaint or comment related to their disabilities via a dedicated phone line or web form.

Corporate Social Responsibility Activities

Under our Purpose of “Committed to empowering a brighter future.” MUFG has identified 10 priority issues, including responses to the aging population & low birthrate, along with climate change measures & environmental protection, as we work to resolve social issues and achieve a sustainable society through financial services and business activities.

At the same time, to address social issues that are difficult to deal with our core businesses, we have put in place a framework that utilizes approximately 1% of net business profits to give back to society, and we are undertaking various social contribution activities, including donations and volunteer work.

As a global financial institution, we try to make the most of the size and strength of our group and the passion of our employees by being conscious of global social issues, while preserving the rich culture we have cultivated in Japan. We also aim to create ecosystems and platforms that provide solutions to social issues by strengthening ties with stakeholders and empathizing with each other for future generations, society, and the planet.

As MUFG, we will actively contribute to society by carrying out activities that make stories that our employees can be proud of and to be passed on to the world.

Five Priority Areas and Our Underlying Thoughts and Values

Within the framework of our CSR activities, MUFG has identified the following five priority areas: Development of the Next Generation and Support for Children, Environmental Conservation, Financial and Economic Education, Preservation and Succession of Culture, and Disaster Relief among other support.

Focusing on these five priority areas, MUFG's five group companies work together to implement selected activities based on the following thoughts and values.

- Carrying out activities that embody MUFG’s Purpose of being “Committed to empowering a brighter future.”
- Resolving the 10-priority environmental and social issues.
- Contributing to the creation of sustainable mechanisms and frameworks for resolving issues.
- Taking advantage of our wide range of connections with communities and people in order to carry out activities.
- Expanding employee empathy through participation in social contribution activities.

Five Priority Areas



Our Five Underlying Thoughts and Values



Five Priority Areas

Group Companies' Social Contribution Activities

Initiatives for Community

Activities of MUFG Employees

Development of the Next Generation and Support for Children

MUFG provides a variety of living and educational support to help all children grow up equally and healthily with the aims of comprehensively raising the level of their education and quality of life.

Supporting Future Generation

Donation to Ashinaga Foundation and the Japan Student Services Organization

MUFG donated 500 million yen each to the Ashinaga Foundation and the Japan Student Services Organization (1 billion in total) to support children who were almost forced to give up their higher education, despite their motivation and ability. This was due to financial and other reasons as a result of the spread of COVID-19, and children who had lost their parents due to illness or disaster.

Support for Children's Lives and Education

Donations to Child Support Groups

Since FY 2020, MUFG has been supporting CliniClowns Japan, an NPO that supports children fighting disease, as well as the NPO's Learning for ALL and Chance for Children. Both of which are public interest incorporated associations that support children from less fortunate backgrounds (180 million yen so far).



Support for Shiki Theatre Company's Kokorono Gekijo

MUFG sponsors Shiki Theatre Company's countrywide project Kokorono Gekijo. The project invites elementary school students to a musical, providing an opportunity to learn important things about life, such as its preciousness, compassion for others, and the joy of believing in one another.

In FY 2020 and 2021, scheduled performances of Kokorono Gekijo were delivered online due to the COVID-19 pandemic.



Photo: Akihito Abe

Sponsoring UNESCO School

MUFG works the National Federation of UNESCO Associations in Japan and actively promotes SDGs on education in elementary schools, as well as middle schools and high schools, to support the development of the next generation, which is essential for the realization and maintenance of a sustainable society. In FY 2021, we provided financial support to 78 schools as part of the "UNESCO School SDGs Assist Project". We also contributed to promoting UNESCO School's activities by sponsoring their national conference where we showcased the SDGs initiatives of companies.



Yokohama City (Environment and climate change: making wooden straws from thin wood)



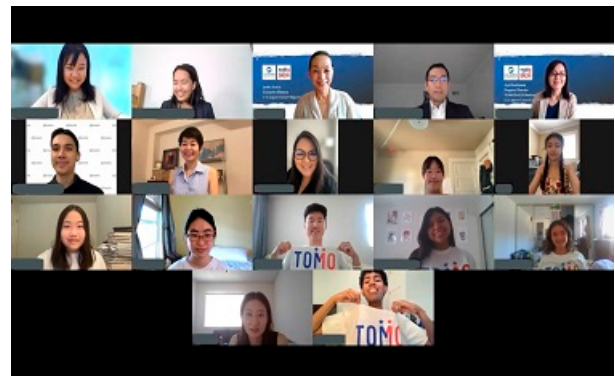
Okayama City (Environment: Plantation of eelgrass)



Omuta City (Environment and local areas: rice making experience)

TOMODACHI

MUFG launched the TOMODACHI MUFG International Exchange Program in 2012, one year after the Great East Japan Earthquake. This program is designed to support the recovery from the Great East Japan Earthquake and to strengthen cultural and economic ties between the United States and Japan. Due to continued COvid-19 restrictions, in FY 2022, we offered junior high and high school students in California the opportunity to study in Japan online.



Donations to Organizations Working to Close the Education Gap

With a vision of realizing a world where every child can receive equal education, Teach For Japan, an NPO, runs a fellowship program in which public schools are staffed with personnel who have been independently selected and trained. MUFG empathizes with the vision and activities of Teach For Japan and we have been supporting them since FY 2020.



Development of the Next Generation and Support for Children (Sports)

MUFG provides a variety of support in the field of sports to help all children grow up equally and healthily and to raise the level of their education and quality of life.

MUFG Junior Tennis Tournament

MUFG Bank has been making donations to the Japan Tennis Association as part of its efforts to support the next generation. The association annually organizes the MUFG Junior Tennis Tournament, a gateway to success for children who aspire to become professionals. In 2022, the tournament was held under strict Covid-19 control measures and was participated in total by 136 children from all over Japan.



MUFG Cup Graduation Commemorative Soccer Tournament

MUFG Bank annually holds the MUFG Cup graduation commemorative soccer tournament in Tokyo, Aichi, and Osaka, inviting sixth graders of elementary school who are about to graduate in hopes that through sports they will learn the importance of bonding with peers and appreciation for those who have supported them. In FY 2021, although the games in Tokyo and Aichi were cancelled due to the spread of COVID-19, the games were held in Osaka with strict control measures, and 4,300 children participated and enjoyed playing in the tournament.



Invitation for Children to the Japan Rugby League One Final

MUFG has been a principal partner of JAPAN RUGBY LEAGUE ONE since May 2022. The sense of unity between players as they move forward resonates strongly with MUFG's Purpose. In May 2022, MUFG invited 1,500 children who represent the future generation of rugby to the final game of the league. This was with the aim to give them inspiration to be the next leaders of our generation.



Environmental Conservation

To realize a sustainable society, it is important to continuously engage in activities that lead to environmental conservation and education. Therefore, MUFG supports various conservation activities to protect the irreplaceable natural environment, which is a common asset for all humankind, as well as initiatives related to the development and research of environment-friendly technologies.

Support for Osaka Prefecture's Carbon-Neutral Technology Development and Implementation Project

MUFG donated 500 million yen to support the growth of Osaka Prefecture's energy business and to help the prefecture achieve its goal of carbon neutrality by 2050. Osaka prefecture has formulated a 10-year action plan to combat global warming from FY 2021 to 2030, with the goal of reducing greenhouse gas emissions in the prefecture by 40% by FY 2030 compared to levels in FY 2013. At the Expo 2025 Osaka, Kansai, the prefecture will use the site as a testing ground for a future society and will showcase and advertise Japan's innovative technologies to the world.



Partnership of Industry and Academia with the University of Tokyo

In order to protect the future of the next generation, MUFG is collaborating with the University of Tokyo to conduct joint research on Japan's pathway to decarbonization and the role that finance will play in realizing it. The Center for Global Commons (CGC), established by the University of Tokyo (Institute for Future Initiatives), is conducting practical research on the maintenance and management of a stable global system. MUFG empathizes with and supports the activities of the CGC, which we strongly believe will help contribute to the realization of our Carbon Neutrality Declaration (300 million yen in total).



Support for Hydrogen Fueled Bus

Various initiatives are currently underway to realize a hydrogen energy-based society in Japan. Among them, the introduction of fuel cell buses (hydrogen buses) as commercial vehicles is attracting attention because it is expected to create stable hydrogen demand while contributing to decarbonization.

Against this backdrop, MUFG made donations to the Tokyo Metropolitan Bureau of Transportation, Osaka City Bus, and Nankai Bus to support their promotion and introduction of hydrogen fueled buses.



MUFG Forest for Working Together with Customers

MUFG is undertaking the MUFG Forest Project, which involves planting about 100,000 trees and donating a total of 500 million yen over 10 years to fund their cultivation. 100,000 trees absorb CO2 that is equivalent to the annual CO2 emissions from the electricity use for the cooling of 10,000 households. MUFG plants trees through the Present Tree ^(note1) project in line with the number of bankbooks, documents, and usage statements issued by its group companies that have been switched from paper to online, as well as the number of new applications for online services. By May 2022, 38,860 trees have been planted.



(note 1) The Present Tree project was started by Environmental Relations in January 2005. Through this project, participants plant trees for loved ones or themselves to help reforest and revitalize local communities. MUFG is planting trees in places where forests should be created, such as forests damaged in natural disasters, former development sites, and abandoned clear-cutting sites in various parts of Japan, where the birthrate is declining, and the population is aging.

Support for Cyclic Utilization of Forests

In recent years, the abandonment of artificial forests planted for timber production has become a serious social issue. In light of this, MUFG made donations (60 million yen in total) to the Lifestyle Research Institute of Forests, which is engaged in forest conservation activities as part of our efforts to promote the cyclic utilization of forest resources, in which trees are planted, grown, harvested, used, and planted again.

Furthermore, MUFG employee volunteers made educational puzzles using thinned wood. The finished puzzles were donated to kindergartens and other children's facilities.

To leave bountiful forests for the next generation, we will continue to support forest conservation activities, including tree planting, thinning, and the use of thinned wood.



Employees making puzzles from thinned wood

Financial and Economic Education

MUFG provides financial and economic education as part of its community service activities. We offer a variety of programs while taking advantage of the unique characteristics as a financial group.

Workplace Experience for Students

MUFG Bank (the Bank) is providing financial and economic education to elementary, junior high, and high school students in local communities through a workplace experience, primarily at local branches, retail banking customer service centers, and schools where employees conduct classes. In this program, students learn about the economy, finance, and the role of banks in society. In addition, they have the opportunity to interview employees, asking questions such as "What things do you value when it comes to your job?" and "What is it like to work as a team?" Through these interviews, and the first-hand experience of working, the program provides children with career guidance.

Learning Program for Elementary Schools (The VALUE of Money)

Since FY 2022, Mitsubishi UFJ Morgan Stanley Securities has been offering a learning program for elementary schools called "The VALUE of Money". In this program, elementary school students explore positive ways to manage money through conversations and group discussions. By thinking about questions such as "What are good spending habits?" students gain not only a superficial knowledge of finance and how it works, but also an experiential understanding of the role of money and economics in life. Children who participated in the program gave feedback such as, "I thought that being good with money meant simply saving it, but through the program, I learned that it meant spending money carefully."

Internship Program (Dynamics of the Stock Market) for Junior High and High School Students

Mitsubishi UFJ Morgan Stanley Securities (the Securities Business) is offering an internship program (Dynamics of the Stock Market, or Kabu no Chikara), a unique educational program about the economy and finance. Developed in cooperation with Educa & Quest Co., Ltd., the program consists of five classes where students learn about stocks. At the conclusion of the program, students are asked in groups to express what they learned about "Dynamics of the stock market", in the form of advertisements on a mock newspaper advert for the Securities Business. The students then give a presentation on these advertisements to the class. In FY 2021, approximately 400 students participated from eight private junior high and high schools in areas around Tokyo and made a total of approximately 130 advertisements. Of the participating students, eleven teams

composed of representatives from each school (22 students in total) were formed to present their works online. At the presentation, the chairman and the president of the Securities Business gave warm words of encouragement to the students. This initiative has received high praise as it is promoted on a companywide basis while leveraging the Securities Business's core business expertise. At the 9th Career Education Awards held by the Ministry of Economy Trade and Industry for FY 2018, this initiative won the Encouragement Award in the large corporation section.

The 9th Career Education Awards by the Ministry of Economy Trade and Industry (in Japanese)

Internship Program (Dynamics of the Stock Market) for University Students

Mitsubishi UFJ Morgan Stanley Securities (the Securities Business) has been offering an internship program (Dynamics of the Stock Market, or Kabu no Chikara) for university students since 2019, and over 400 students from 14 colleges have attended the program.

In this program, participating students work to solve social issues using the characteristics of stocks. Each 90-minute class is conducted in a group work format, and in the first half, the Securities Business's employees lecture on the functions and roles of the stock market and securities companies. In the second half, students select the goals they want to achieve from among the 17 development targets (goals) of the SDGs and devise solutions using the characteristics and functions of stocks and securities they learned in the first half. At the end of the class, each group presents their solutions. Participating students have given positive feedback, such as "I was able to learn from a different perspective compared to my macroeconomics classes. It was a great learning opportunity," "I gained a better understanding of the SDGs," and "I want to join a securities company in the future."

ACOM's Support for Financial Education

ACOM is holding lectures for students regarding the knowledge of money, such as loans and credit, family budget management, and the outline of the consumer credit industry. ACOM delivers these awareness-raising lectures with the hope that students will be able to use their money well before they start working and avoid getting into financial trouble in the future. During FY 2021, lectures were given at eight universities, two high schools, and one other organization with about 700 participants in total.



Disaster Relief and Other Support

MUFG provides donations in a variety of areas to contribute to the creation of a resilient society.

Supporting the COVID-19 Response

Support in Medical Field: Donation to All Japan Hospital Association

MUFG donated approximately 400 million yen to the All Japan Hospital Association to support frontline healthcare workers as waves of COVID-19 infections overwhelmed hospitals. Support was provided to a total of 515 hospitals through the Association.



A thanks letter and flowers delivered to a hospital through the All Japan Hospital Association

Support in the Art Field: Donation to The Association of Japanese Symphony Orchestras

The spread of COVID-19 has led to the cancellation, postponement, and capacity restriction of a number of classical music concerts. As a response to this, in FY 2021 MUFG donated 300 million yen to the Association of Japanese Symphony Orchestras to support music and art activities that enrich people's hearts and live. The donated money will be used to fund the activities of the 37 member organizations.

Support to Prevent Female-Specific Cancers

As part of our efforts to support women's health, MUFG donated 30 million yen to the Japanese Society for Fertility Preservation (JSFP). By supporting the JSFP's activities, we will promote correct knowledge and understanding of breast and cervical cancers, as well as early detection and prevention measures, including regular cancer screening. We will continue to undertake a variety of initiatives to help our customers, local communities and society, and the next generation make healthy and diverse life choices.



Support through the MUFG NFUAJ East Japan Earthquake Recovery and Scholarship Fund

MUFG and MUFG Bank (the Bank), in cooperation with, the National Federation of UNESCO Associations in Japan (NFUAJ), established the MUFG NFUAJ East Japan Earthquake Recovery and Scholarship Fund in April 2011. For up to 15 years, the fund will be working with local schools in operating a scholarship program and holding various support projects for orphaned students (children who lost one or both of their parents as a result of the earthquake or tsunami) from elementary through high school. The fund is expected to grow to around 3 billion yen.

Group Companies' Corporate Social Responsibility Activities

▼ Group Companies' CSR Activities ▼ CSR Activities through Foundations

Group Companies' CSR Activities

Mitsubishi UFJ Trust and Banking

Corporate Social Responsibility (CSR)

Mitsubishi UFJ Morgan Stanley Securities

Volunteer and Donation

Mitsubishi UFJ NICOS

CSR Activities (in Japanese)

ACOM

Promote diversity based on "The Spirit of Human Dignity"

CSR Activities through Foundations

MUFG Bank

Mitsubishi UFJ Foundation

Mitsubishi UFJ Foundation promotes international exchanges in Asian and other countries. To foster human resources development in Japan and overseas, the Foundation provides financial assistance to a variety of international exchange programs and offers scholarships to students in Japan and overseas. Over 16,000 students have been provided with scholarships thus far.

[Mitsubishi UFJ Foundation \(in Japanese\)](#)

Mitsubishi UFJ Environment Foundation

The Mitsubishi UFJ Environment Foundation plays a key role in MUFG's efforts to address environmental and social concerns, supporting a wide range of efforts. These include activities to improve the natural environment, especially by supporting tree planting, village forest conservation, and the creation of biotopes (natural habitat areas) at schools; organizing the Midori-no-e contest; offering sponsored lectures at universities and other environmental education events; and undertaking the Headwaters Forest project, which has involved participants in hands-on reforestation and nature observation activities in the Tone River watershed.

[Mitsubishi UFJ Environment Foundation \(in Japanese\)](#)

Mitsubishi-UFJ Technology Development Foundation

Mitsubishi-UFJ Technology Development Foundation has been a pioneer in providing support for private sector ventures in Japan. The foundation aims to comprehensively foster the development of technology-oriented small- and medium-sized enterprises (venture businesses) that are vital for Japan's economic development. To this end, the foundation provides a wide range of assistance, including research and development grants, shareholding, and information provision.

[Mitsubishi-UFJ Technology Development Foundation \(in Japanese\)](#)

Institute for International Monetary Affairs

The Institute for International Monetary Affairs contributes to the stability and development of global financial economic society and, with the objective of deepening mutual understanding between Japan and other countries, is engaged in investigative research and the exchange of information regarding the international economy, finance, and currencies.

[Institute for International Monetary Affairs \(in Japanese\)](#)

Mitsubishi UFJ Trust and Banking

Mitsubishi UFJ Trust Scholarship Foundation

This foundation provides scholarships and funding to promising young people to foster human resources and advance academic research.

The Mitsubishi UFJ Trust Scholarship Foundation

Mitsubishi UFJ Trust Foundation for the Arts

This foundation supports the advancement and dynamism of music and arts, and provides funding for performances by Japanese groups such as operas and orchestras that have attained a certain level of artistic standard.

Mitsubishi UFJ Trust Cultural Foundation

This foundation is engaged in support for organizations that are making efforts to promote local culture in the fields of music, art, theater, and traditional arts.

Initiatives for Community

MUFG actively contributes to the local community by utilizing the group's facilities and taking advantage of their characteristics.

MUFG PARK

MUFG and MUFG Bank are planning to renovate a company owned sports ground in Nishitokyo City, western Tokyo, into a multi-use facility opened to the public, called MUFG PARK. It is scheduled to open in June 2023, and we are currently holding various trial events with local residents while moving forward with the construction.



Shintaku Museum

Mitsubishi UFJ Trust and Banking Shintaku Museum is located on the first floor of the Industry Club of Japan Hall, a national registered tangible cultural property, next to the head office building of Mitsubishi UFJ Trust and Banking Corporation. It is the first museum in Japan dedicated to the theme of trust and is unique in the world. Trust has developed as a tool to enable secure and reliable management of assets. We hope you will enjoy the history and interesting features of trust that are relevant in various moments of our daily life.

(B. Potter, the author of the Tale of Peter Rabbit, is very much associated with trust.)



Money and Ukiyo-e Museum

MUFG and MUFG Bank operate the Money and Ukiyo-e Museum located on the first floor of their Nagoya Building. The museum has some special collections, including rare coins from Japan and around the world, as well as important ukiyo-e prints by Hiroshige Utagawa. It is widely used by the local residents for educational field trips, school excursions, and lifelong learning programs.

[Money and Ukiyo-e Museum \(in Japanese\)](#)



Osaka Gallery Lounge

MUFG and MUFG Bank operate "Osaka Nigiwai Gallery Lounge" located on the first floor of their Osaka Building. The lounge is a recreational facility for local residents with a space for learning about the history of the area. Since FY 2022, MUFG has been working with local groups to regularly hold events that contribute to the community, such as the MUFG Monthly Concert.



Activities of MUFG Employees

To encourage employees who are motivated to contribute to society, each group company has introduced a system for participating in volunteer and donation activities.

MUFG SOUL -Turning Passion into Power for Society-

MUFG provides funds for CSR activities that are designed and participated in by employees, such as children's cafeterias that provide free or inexpensive meals to children in need, support for orphanages, and community revitalization activities. In FY 2021, more than 300 activities were organized (with total funds of about 100 million yen), and a total of more than 3,000 employees participated in them. We will continue to contribute to the resolution of a wider range of social issues by addressing them from the perspective of our employees.



Project to save animals displaced due to Covid-19 and revitalize Himeji City Zoo



Project to revive clams in the Seto Inland Sea



Village forest conservation project



Project for coexistence of the community, nature, and bees in Jiyugaoka, Tokyo



Support project for a traffic safety watching campaign



Project to preserve traditional industries and maintain old share houses for new agricultural workers

Global Volunteer Month "MUFG Gives Back"

Since the establishment of Global Volunteer Month in 2013, MUFG employees all over the world have been working together on initiatives to host local CSR activities. In the wake of the Great East Japan Earthquake, Japan was blessed with support from across the world for its reconstruction efforts. In response, and as an opportunity to express gratitude for the support Japan received, we have named these initiatives "MUFG Gives Back", and we continue to expand our activities each year. As a global initiative, in which employees are engaged in CSR activities together, MUFG Gives Back is one of the largest CSR initiatives among Japanese corporates, representing an opportunity for employees in their respective areas and at their respective branches to experience the impact of local philanthropy. In FY 2021, we implemented the "Happy Christmas Together!" project in Japan. MUFG employees created about 1,700 Christmas cards that were delivered through the CliniClowns Japan, a certified NPO, to children in pediatric wards at 52 hospitals around Japan and to children receiving treatment at home.



Participation in FIT For Charity Run

The Financial Industry in Tokyo (FIT) For Charity Run is a fun run organized as a volunteer charity event by employees at companies involved in the financial services industry. The participation fee paid by the employee and cooperation fee provided by the companies of participating runners is donated in support of organizations that have roots in the community and implement socially significant activities but are unable to secure funding to support their activities due to lack of recognition and other problems. MUFG has been participating in the event since it was held for the fifth time in 2009. In November 2021, about 360 employees from 12 group companies participated in the 17th run.



Acom “Miru” Concert Monogatari

ACOM has been inviting local citizens to “Acom 'Miru' Concert Monogatari” performances all across Japan. Ever since the first performance was staged in 1994, more than 240,000 people have enjoyed upwards of 250 performances. The concerts are truly original works of art that integrate colorful silhouettes and live renditions by a piano trio (piano, violin, and cello) with narration. Moreover, the concerts are held as barrier-free events, with sign language translation provided on stage and ample wheelchair places secured in the auditorium, making it possible for everybody to have a good time. Also, the concerts are run with the cooperation of many people, not only ACOM employees but also local governments and community volunteers. For more information about the Acom 'Miru' Concert Monogatari, visit ACOM's official website.



Volunteer Leave Program and Assistance for Activity Funding

We have introduced a volunteer leave program that enables employees to participate actively in environmental contribution activities as members of society. We also provide event funding, money to purchase physical items and other financial support for employee volunteer facilities and organizations that meet certain conditions.

Support for Donation Activities

MUFG Bank Social Contribution Fund (Established 2008)

This fund gives money to organizations addressing social issues and contributing to relief funds in times of large-scale natural disaster, using funds donated by company executives and employees through deductions from their salaries each month. These funds are combined with matching contributions from MUFG Bank. In FY 2021, approximately 6,000 executives and employees participated, donating 56,970,000 yen to 12 groups.

Kakehashi-Shintaku Ai-no-Kikin Fund (Established 1977)

This fund collects membership fees from Mitsubishi UFJ Trust and Banking and affiliated company officers, employees, former employees, and their families to make donations to social welfare organizations nationwide that engage in such activities as welfare for the elderly, healthcare covered by health insurance and disaster assistance. In FY 2021, the Fund donated 1,300,000 yen to 13 groups.

Employee Donations Account (Opened in 2007)

Mitsubishi UFJ Securities Holdings has an account for collecting donations from employees of domestic subsidiaries (Mitsubishi UFJ Morgan Stanley Securities, MUS Business Service, and MUS Information Systems). The company matches the funds donated by employees each year (from July through June). From its establishment through June 2021, the account has donated a total of approximately 6 million yen to two organizations.

Donations based on Employees' Ongoing Fund Raising (Established in 2011)

Mitsubishi UFJ NICOS has continued to raise funds based on employees' salary deductions since September 2011 for the purpose of supporting reconstruction following the Great East Japan Earthquake. Through this scheme, which also includes donations by the company, a total of 120 million yen had been donated by FY2021. Currently, the company makes donations to the UNESCO Association Study Support Scholarship and the Great East Japan Earthquake Fukushima Children's Fund.

ACOM Bluebird Fund (Started in 1984)

The fundraiser was initiated by ACOM employees. Money collected through donation boxes installed companywide and payroll deductions are donated as relief funds in the event of a major natural disaster. As of August 31, 2021, the cumulative total of donations has reached approximately 12 million yen (100 donations). As a general rule, the company makes matching donations.

Corporate Governance

▼ Corporate Governance System ▼ Responsibility and Authority in Sustainability Management ▼ Internal Audit

Corporate Governance System

For more information on MUFG's corporate governance, please refer to the below.

[Governance](#)
[Corporate Governance Report](#)
[Annual Securities Report \(only in Japanese\)](#)

Board of directors	
Responsibility and Authority	Responsibility and Authority in Sustainability Management
Structure	Corporate Governance Report
Independence of the Chair	
Committees	
Nominating and Governance Committee	Corporate Governance Report
Compensation Committee	
Audit Committee	
Risk Committee	
U.S. Risk Committee	
Board of Directors' effectiveness and performance evaluation	Corporate Governance Report
Executive Compensation	
Assessing executive compensation based on the performance	Corporate Governance Report
Shareholding restriction	Annual Securities Report
Disclosure of Executive Compensation	Corporate Governance Report
Clawback / Malus	Annual Securities Report
Stock	
Shareholding Ratio (Shareholding Status)	Annual Securities Report
Shareholder Rights	Corporate Governance Report
Separation of shareholding and voting rights	Annual Securities Report

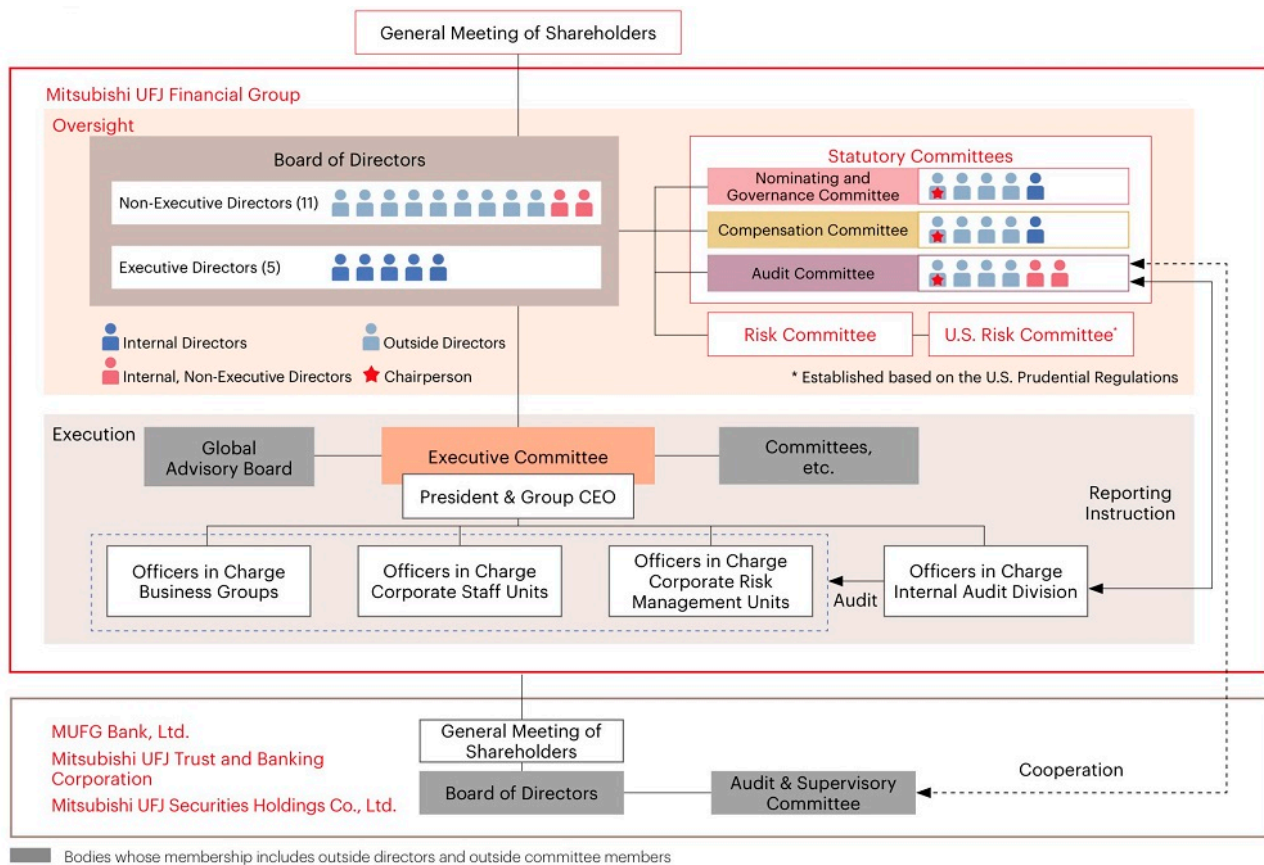
Responsibility and Authority in Sustainability Management

Fundamental Concept

MUFG aims at its sustainable growth and increase in medium to long-term corporate value, based on the requests from stakeholders including shareholders, customers, employees and local communities. MUFG is committed to fair, just and transparent corporate management and to the realization of effective corporate governance guided by the MUFG Corporate Governance Policies.

MUFG Corporate Governance Policies

MUFG's Management Structure



Committees

Approach to ESG Issues

Sustainability Committee Meetings

MUFG holds regular committee meetings to identify ESG issues affecting corporate management, and report and discuss how the Group is responding to them.

In fiscal 2021, the committee meeting was held in January 2022 and deliberated on the business environment surrounding MUFG and reviewed priority issues. Details of the deliberations are as follows.

Theme	Details
The business environment surrounding MUFG	<ul style="list-style-type: none"> Changes in the business environment over the course of the past year (trends among government and regulatory agencies, investors, customers, NGOs, financial institutions, etc.)
Measures to address the 10 priority issues	1. Climate change measures & environmental protection
	Climate change measures <ul style="list-style-type: none"> Status of initiatives to achieve net-zero GHG emissions from our financed portfolio as well as our own operations Issuance of the <i>MUFG Progress Report</i>, which summarizes the status of our initiatives to realize carbon neutrality Development of a carbon-pricing promotion structure to create new business opportunities
	Biodiversity and natural capital <ul style="list-style-type: none"> Participation in the TNFD with an eye to enhancing the content of relevant information disclosure and policies for future initiatives
	2. Response to aging population & low birthrate
	<ul style="list-style-type: none"> Enhancement of our financial services to help create a safe and secure society for the elderly and children to live; the creation of more accessible channels via the improvement of our digital interface in terms of operability and design; and other endeavors to enhance customer convenience and policies for future initiatives Commercialization of new businesses aimed at resolving issues arising from an aging society through industry-academia collaboration and the promotion of intragroup collaboration for the same purposes
Respect for human rights	3. Inclusion & diversity
	<ul style="list-style-type: none"> Status of roundtable discussion events for female employees, programs designed to support those striving to balance work and family duties and other initiatives to promote inclusion & diversity as well as the recognition of issues Upgrading of training programs and the improvement of communications aimed at securing robust employee understanding and awareness in addition to the enhancement of current policies for promoting in-house and external information strategies and the content of relevant information disclosure
Revision of the MUFG Environmental and Social Policy Framework	<ul style="list-style-type: none"> Relevant regulatory trends in each country, the status of business-related risks that may possibly result in human rights violations and the current status of our initiatives to ensure respect for human rights Development of a human rights management structure and the identification of issues to be tackled in connection with and initiatives to facilitate human rights due diligence involving in-depth assessments
External evaluation of ESG activities and disclosure	<ul style="list-style-type: none"> Inclusion of shale oil, shale gas and pipelines (oil & gas sector) into the "Transactions of High Caution" category Introduction of more stringent standards for mining (coal) and palm oil sectors
	<ul style="list-style-type: none"> Results of ESG ratings granted by five rating agencies^{*1} to be used for determining executive compensation and the identification of issues to be tackled to improve such ratings <p>^{*1} MSCI, FTSE Russell, Sustainalytics, S&P Dow Jones and CDP</p>

External Advisors in the Environment and Social Fields

Since 2019, we have engaged external experts in the environmental and social fields as permanent external advisors.

Opinions were exchanged between the experts and the members of the Board of Directors, allowing us to use their broad knowledge of ESG in our sustainability initiatives.

Rintaro Tamaki	President, Japan Center for International Finance
Junko Edahiro	Professor, Graduate School of Leadership and Innovation, Shizenkan University / President, Institute for Studies in Happiness, Economy and Society / Founder and President, e's Inc.

Opinion Exchange Meeting with Advisors

At the opinion exchange meeting held in December 2021, the Group CEO, Bank President, trust and securities companies Presidents, Group CSuO, and other relevant members participated in the meeting. They exchanged views on the measures required of financial institutions such as global trends in response to climate change, which is one of the most important issues, as well as discussions on Japanese policies, transition finance, and carbon pricing. In addition, discussions were held to exchange opinions in a wide range of fields related to sustainability, including discussions on the necessity of strengthening responses to natural capital and biodiversity conservation, and the importance of further promotion of human rights, and inclusion & diversity.

Study Sessions for Management

In order to invigorate internal discussions on sustainability, we invited experts in various fields to hold study sessions. In study sessions, the management team actively exchanges opinions with these experts.



Study Sessions in FY2021

Date	Theme	Lecturer
August 2021	Climate change risk management for financial institutions	Mr. Kenji Fujii, President, Global Risk and Governance LLC
October 2021	Global environmental crisis, economic and social system transformation, and appropriate management of global commons	Naoko Ishii, Executive Vice President, Professor and Director at Center for Global Commons, University of Tokyo
November 2021	"ESG Disclosure and Improvement of Corporate value" and "Addressing Impact Investment Issues"	Tetsuo Kitagawa, Emeritus Professor, Aoyama Gakuin University
February 2022	Biodiversity	Naoya Furuta, Professor, Taisho University

Executive Compensations

Introduction of a Heightened Metric for ESG-Related External Ratings as a New Key Performance Indicator for the Executive Compensation System

MUFG revised its executive compensation system to achieve the medium-term business plan and implement sustainability management, and has newly installed a heightened metric for ESG-related external ratings as a medium- to long-term performance-linked indicator for stock-based compensation.

The system is designed to reflect the degree of improvement in external ratings granted by major five ESG rating agencies^(note) in executive compensation with the intention of aligning MUFG's corporate behavior with the interests of diverse stakeholders.

In fiscal 2022, we also added inclusion & diversity targets to qualitative assessment indicators for determining the amount of bonuses vis-à-vis the execution status of the recipients' duties, in order to facilitate management efforts to promote and secure the robust employee understanding of inclusion & diversity.

(note) MSCI, FTSE Russell, Sustainalytics, S&P Dow Jones, CDP

Type of compensation	Linkage with performance	Performance-based compensation range	Standards for payment			Time of payment	Payment method	Proportion of Group CEO's compensation	
					Weight				
Annual base salary	Fixed	—	• Paid based on positions, etc. • Includes Director Allowance, Committee and Chair Allowance, Housing Allowance, Overseas Representative Allowance, etc.			Monthly	Cash	1	
Stock compensation	Non-performance-based	—	Base amount by position			At the time of retirement of executives	50% in shares 50% in cash Note: Subject to malus (confiscation) and clawback (restitution claim)	1	
	Medium- to long-term performance-based	0-150%	Base amount by position	×	Performance factor (medium- to long-term achievement evaluation)	<50%>			
					Target attainment rate of indices below in MTBP				
					(1) Consolidated ROE	30%			
					(2) Consolidated expenses reduction amount (excluding performance-linked expense)	15%			
					(3) Ratings granted by ESG rating agencies	5%			
Performance factor (competitor comparison evaluation)	<50%>								
Comparison of year-on-year growth rate of indices below with competitors									
(1) Consolidated net operating profits	25%								
(2) Profits attributable to owners of parent	25%								
Cash bonuses	Short-term performance-based	0-150%	Base amount by position	×	Performance factor (quantitative evaluation factor applied to the Group CEO)	<60%>	Annually	Cash	1
					Rate of year-on-year change and target attainment rate of indices below				
					(1) Consolidated net operating profits	20%			
					(2) Profits attributable to owners of parent	10%			
					(3) Consolidated ROE	20%			
					(4) Consolidated expense amount	10%			
Status of individual execution of duties (qualitative evaluation factor applied to Group CEO)									
• Improvement in customer-segment profitability	<40%>								
• Risks handling									
• Enhancement of efforts on ESG, evolution of sustainability management									
• TSR, etc.									

1. To incentivize efforts to improve MUFG's earnings power, capital efficiency and profit structure, each of which is considered a management issue requiring the utmost priority, the degree of achievement vis-à-vis target levels stipulated in the Medium-Term Business Plan (MTBP) regarding consolidated ROE and consolidated expense reduction (excluding performance-linked expense) is determined on an absolute evaluation basis.
2. In addition to incentivizing recipients to advance sustainability management, the degree of improvement in external ratings granted by the five major ESG rating agencies (MSCI, FTSE, Russell, Sustainalytics, S&P Dow Jones and CDP) is determined on an absolute evaluation basis, with the aim of objectively assessing the recipient's contribution to MUFG's initiatives to address ESG issues in a variety of fields.

3. Relative comparisons with competitors are made with Mizuho Financial Group and Sumitomo Mitsui Financial Group.
4. ESG-related assessment items subject to qualitative evaluation include contribution to the resolution of environmental and social concerns, the promotion of inclusion & diversity and the strengthening and upgrading of MUFG's governance structure.

Internal Audit

Internal Audit

Compliance

Basic Policy

We have established MUFG Group Code of Conduct as a set of guidelines for a day to day judgement of how the Group's directors and employees should act to realize the MUFG Way. The code expresses our commitment to complying with laws and regulations globally, to acting with honesty and integrity, and to behaving in a manner that supports and strengthens the trust and confidence of society.

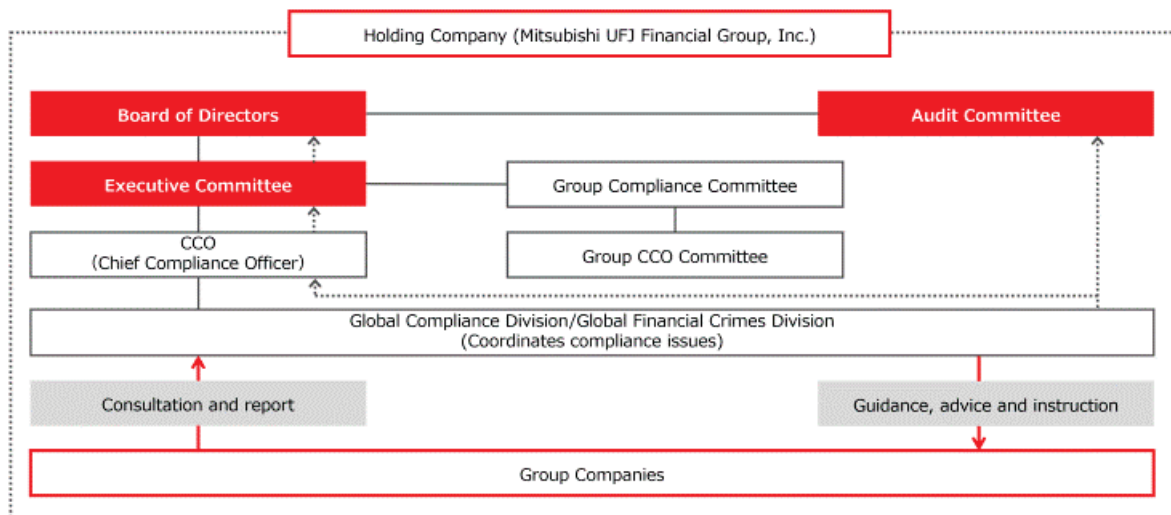
In addition, as we expand the geographic scope of our business globally, we are committed to keeping abreast of developments in laws and regulations of the jurisdictions in which we operate, including anti-money laundering and anti-bribery rules as well as competition laws, while paying attention to trends in financial crimes.

Compliance Framework

Management and coordination of compliance-related matters are the responsibility of separate compliance management divisions established at the holding company and the major subsidiaries, namely, the Bank, the Trust Bank and the Securities (hereinafter, the "three subsidiaries"). Each compliance management division formulates compliance programs and organizes training courses to promote compliance, and regularly reports to each company's board of directors and Executive Committee on the status of compliance activities.

The holding company has established a Group Compliance Committee while the three subsidiaries have Compliance Committees under their executive committees to deliberate key issues related to compliance. Additionally, the holding company has a Group Chief Compliance Officer, or CCO, Committee, which consists of the CCO of the holding company and the CCOs of the three subsidiaries. The Group CCO Committee deliberates important matters related to compliance and compliance-related issues for which the Group should share a common understanding.

Compliance Framework



Whistle-Blowing Systems

Having positioned its whistle-blowing systems as an important governance tool, MUFG has helped each Group company develop such a system to ensure their ability to identify compliance issues early so that any problems can be quickly rectified. Moreover, the MUFG Compliance Helpline operates year-round and is capable of handling a report from any Group member no matter what their location on an around-the-clock basis.

We made it a rule that the identities of consultors and the content of the report must be kept secret in the course of handling reported issues so that whistle-blowers will not be subjected to detrimental treatment. This rule is clearly stipulated in the Code of Conduct as well as in in-house rules enforced at each Group company. We are thus ensuring thorough protection for whistle-blowers even as we carry out investigations into issues being reported and conduct correction measures, including follow-up inspections.

In addition, we aim to ensure that each employee is able to quickly access this helpline whenever he/she has even the slightest suspicion regarding compliance. To this end, we let all employees know about this helpline as well as records on internal reporting accepted thus far. At the same time, we are striving to enhance the reliability of our whistleblowing systems via, for example, the sharing of actual compliance-related cases in a form that makes it impossible to determine the identities of whistleblowers.

In fiscal 2021, a total of 441 reports were accepted at MUFG and main Group companies. In line with the revised Whistleblower Protection Act, which came into effect in June 2022, we have upgraded whistle-blowing systems in place at MUFG as well as Group subsidiaries and affiliates, so that employees can feel more secure about using the systems.

MUFG Accounting Auditing Hotline

MUFG has set up an accounting auditing hotline to be used to make reports related to instances of improper practices (violations of laws and regulations) and inappropriate practices, or of practices raising questions about such impropriety or inappropriateness, regarding accounting and internal control or audits related to accounting in Group companies. The audit committee oversees the reporting process to ensure the appropriateness and effectiveness of the reporting process and monitors the reports received through the hotline. The reporting process works as follows, and may be carried out via letter or e-mail:

Hokusei Law Office, P.C.

Address: 8F Sanshi Kaikan, 1-9-4 Yurakucho, Chiyoda-ku, Tokyo

e-mail: MUFG-accounting-audit-hotline@hokusei-law.com

When reporting information please pay attention to the following:

- Matters subject to reporting are limited to those related to accounting, internal control regarding accounting and accounting auditing of MUFG Group. Please note that other inquiries may not be answered.
For any inquiries about the products and services of Group companies, please refer to the inquiries listed on each company's website.
- Please provide detailed information with respect to the matter. Without detailed factual information there is a limit to how much our investigations can achieve.
- Anonymous information will be accepted.
- No information regarding the identity of the informant will be passed on to third parties without the approval of the informant him- or herself. However, this excludes instances where disclosure is legally mandated, or to the extent that the information is necessary for surveys or reports, when data may be passed on following the removal of the informant's name.
- Please submit reports in either Japanese or English.
- If the informant wishes, we will endeavor to report back to the informant on the response taken within a reasonable period of time following the receipt of specific information, but cannot promise to do so in all instances.

Risk Management

▼ Managing Environmental and Social Risks in Financing ▼ Cyber Security ▼ Combating Financial Crime

Details on MUFG's Integrated Risk Management are available on [Risk Management](#).

Managing Environmental and Social Risks in Financing

Principles of Risk Management

MUFG has identified the risks associated with various environmental and social issues, such as response to climate change & environmental protection, as a priority issue, and recognizes that they exert significant influence on the Group's corporate management for sustainable growth. As a financial institution that aims to be a trusted global financial group chosen by the world, the Group also grasps the risks caused by its business activities and endeavors to control and reduce them. MUFG manages these sustainability-related risks within the MUFG Environmental and Social Policy Framework, which is based on the MUFG Environmental Policy Statement and the MUFG Human Rights Policy Statement. The Framework is managed by the Sustainability Committee under the Executive Committee, and it is formed to be consistent with the framework for controlling reputational risks that could damage the Group's corporate value.

In addition, the status of policies and initiatives to the environmental and social risks are discussed and reported by the Credit & Investment Management Committee, the Credit Committee and the Risk Management Committee depending on the theme. Conclusions reached by the above committees are reported to the Executive Committee, and reported to and discussed by the Board of Directors, and the Board of Directors oversees risks related to environmental and social issues.

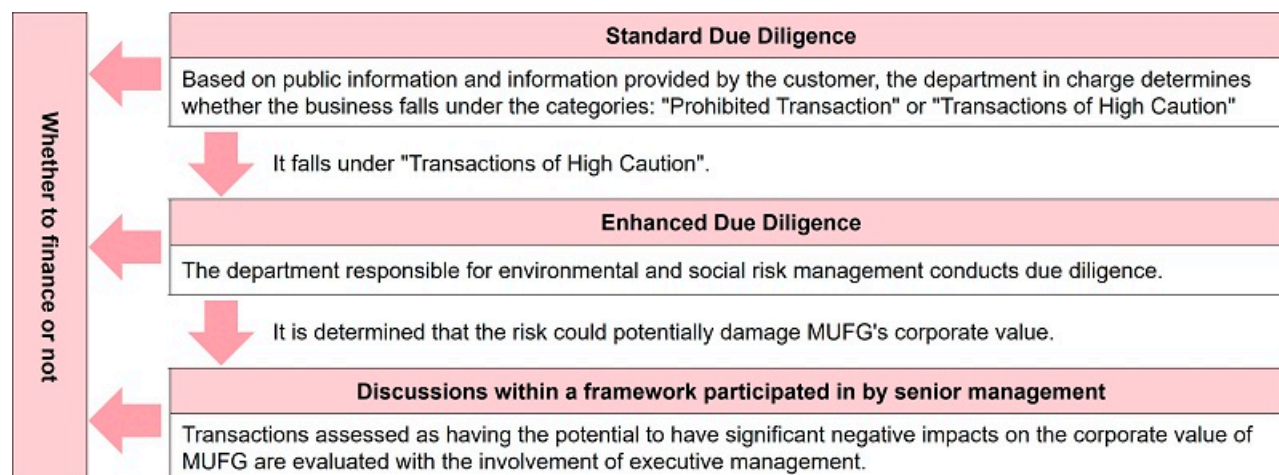
Risk Assessment Process

Standard due diligence is conducted by departments that have direct contact with customers to identify and assess the environmental and social risks of business that is to be financed by MUFG. If it is determined that the business needs to be examined more carefully, MUFG conducts enhanced due diligence and decides whether or not to finance the business.

As for business that would have significant environmental and social risks and could potentially damage MUFG's corporate value or develop into a reputational risk, MUFG holds discussions on how to handle it within a framework participated by senior management. In addition, the Bank adopted the Equator Principles, a

framework for identifying, assessing and controlling the environmental and social risks of large-scale projects, and conducts risk assessments in accordance with its Guidelines.

The process of identifying and assessing the environmental and social risks or impacts of a business to be financed



Major Risks and Responses

MUFG designated business with significant environmental and social risks as "Prohibited Transactions" if they are illegal businesses or businesses with illegal purposes and the like, and as "Transactions of High Caution" if they have a negative impact on indigenous communities and the like. It has been tightening its policy on business that has a significant impact on climate change including coal-fired power generation. By periodically reviewing and sophisticating the MUFG Environmental and Social Policy Framework, the Sustainability Committee will continue to address risks that may emerge as a result of changes in business activities and the business environment.

Prohibited Transactions	Transactions of High Caution
<ul style="list-style-type: none"> • Illegal transactions and transactions for illegal purposes • Transactions which violate public order and good morals • Transactions that negatively impact wetlands designated under the Ramsar Convention • Transactions that negatively impact UNESCO designated World Heritage Sites • Transactions violating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention) • Transactions involving the use of child labor or forced labor • Cluster Munitions and Inhumane Weapons Manufacturing 	<p>[Cross-sector guidelines]</p> <ul style="list-style-type: none"> • Impact on Indigenous Peoples Communities • Land expropriation leading to involuntary resettlement • Impact on High Conservation Value areas <p>[Sector specific guidelines]</p> <ul style="list-style-type: none"> • Coal Fired Power Generation, Mining (Coal), Oil and Gas, Large Hydropower, Forestry and Palm Oil Sector

Cyber Security

Basic Policy

MUFG is well aware of its social responsibilities for securing the assets entrusted by the customers and its obligation to provide secure and stable financial services. MUFG has positioned risk and threats posed by cyber-attacks and other relevant events as one of the Top Risks and is promoting cyber security measures under management leadership.

Cyber Security Management Structure

Governance Structure

MUFG has cyber security standards that reference to international guidelines and is engaged in the development of relevant strategies and organizational structures as well as the planning and implementation of initiatives aimed at enhancing its cyber security measures.

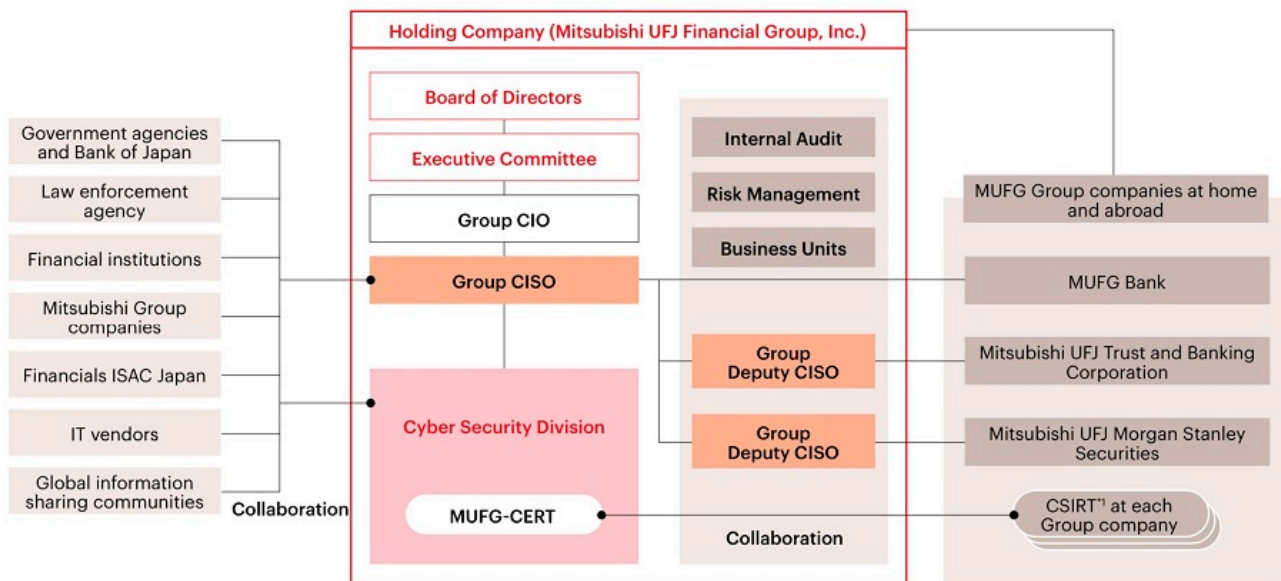
MUFG enacted the Cyber Security Management Declaration with the intention of strengthening the security management structure under the direct supervision of top management as a response to cyber-attacks and crimes that are becoming more advanced and sophisticated year by year. Moreover, at the beginning of fiscal year 2022, MUFG separated the Cyber Security Office as an independent division from Information Systems Planning Division and enhanced the leadership of the Group Chief Information Security Officer (CISO). MUFG has a governance structure supporting business judgement according to changes in the surrounding environment through timely and proper reporting to the Board of Directors and the Executive Committee. Taking advantage of the structure, MUFG puts an effort in effective and efficient promotion of cyber security strategies while working to defend MUFG against cyber-attacks daily.

Management Structure

The MUFG Cyber Security Fusion Center (MUFG CSFC), which was launched as a security center to provide threat analysis and security measures, plays key roles in the around-clock monitoring and incident response on a groupwide and global basis.

Furthermore, MUFG sets up the MUFG-CERT as an umbrella organization in case of cyber security incident to cooperate with Computer Security Incident Response Teams (CSIRTs) of Group companies. MUFG conducts periodic exercises and drills to ensure its ability to perform promptly and surely such as information sharing, decision making, external public relations, and technical countermeasures. In addition, MUFG has stepped up collaborative activities with government agencies, other companies in the financial industry, and security communities including the Nippon CSIRT Association.

Cyber Security Governance Structure (MUFG)



*1 Computer Security Incident Response Team: A team tasked with receiving first-hand reporting on security incidents and conducting investigations into and responses to such incidents

Main Initiatives to Counter Cyber Security Threats

Security Measures to Counter Growing Threats

Given current international situation and global threat of ransomware, the risk of cyber-attacks has been increasing. MUFG sets up a dedicated team focused on threat intelligence to centralize the related activities such as impact analysis for newly found vulnerabilities or past experiences, and remediation for those impacts on a groupwide and global basis. Additionally, the team monitors systems for external stakeholders daily to prevent any flaws in security updates or configuration settings.

In step with the widespread popularization of electronic payments on the internet such as Internet banking, cybercrimes that target online services have also become social issues. MUFG is implementing a variety of initiatives to deliver safe and secure services to customers, such as ensuring robust online verification, thoroughgoing vulnerability countermeasures, threat intelligence, anomaly detection, and suspicious-transaction monitoring.

Our Response to Digital Transformation (DX)

MUFG actively utilizes new technologies such as cloud services, AI, Robotics, and Open APIs for business. The Cyber Security Division participates in the projects related to the new technologies from the early stages such as planning and design phases. The activity contributes to the development of multilayered security measures and the realization of coexistence between safety and technology-driven transformation through proactive actions including procedure development for safe utilization of the new technology, risk evaluation, and monitoring of configuration settings.

Nurturing Security Specialists

Cyber security measures are a wide range of areas, including governance, threat intelligence, risk management, engineering, monitoring operation, and incident response. MUFG has secured an in-house team capable of managing and carrying out the above functions.

To ensure the robust implementation of each security measure, MUFG has systematically categorized the talents and skill sets expected of security members to provide them with optimally designed human resource development programs, which combine in-house and external lectures and exercises while giving due consideration to the competencies of each member, the nature of tasks to be assigned to them and possible opportunities for their future career advancement. Furthermore, MUFG has boldly pursued improvement of security measures in order to keep up with constant changes in technology, utilization environment and cyber-attacks, and to nurture them as professional through these opportunities.

Providing Cyber Security Education to Foster a Proper Culture

For MUFG to maintain the stable operation of its financial infrastructure, it is essential to foster the corporate culture in which each employee understands the importance of cyber security and considers what should be done as a company while acting in collaboration with other financial institutions or government authorities. MUFG provides educational programs to not only employees directly involved in cyber security but also those engaged in planning and promotion of the business services so that every employee is well-versed in necessary countermeasures against cyber-attacks. Furthermore, MUFG provides all employees at main Group companies with e-learning, phishing mail exercises, and newsletters for alerting cyber-attacks and familiarizing them proper responses, and hosts seminars for widely scoped Group companies. MUFG also engaged in various activities with external organizations, such as collaboration with Financials ISAC Japan, the IT security association of financial institutions, and participation in various training programs and drills hosted by the NISC (National center of Incident readiness and Strategy for Cybersecurity), the Financial Services Agency, and the Tokyo Metropolitan Police Department.

Combating Financial Crime

We are striving to provide services that our customers can feel secured by implementing a wide range of countermeasures against financial crimes as well as providing assistance for victims of such financial crime.

Measures to Prevent customers from attacks by Bank Transfer Frauds

To prevent customers from bank transfer frauds at ATM which has been frequently occurring in Japan, we provide necessary alerts to customers by using posters or guiding them on ATM displays etc. In addition, we prohibit phone calls at ATM since mobile phones are often used for bank transfer frauds. Also, to prevent customers from damages caused by those frauds, we have some restrictions to specified customers on transactions by ATM which may cause a fraud case. When receiving requests to withdraw large amount of cash or send money at the counter of our premises, our staff would give attention to customers and ask about the purpose of the transaction, as well as cooperate with police to prevent crimes when the transaction seems suspicious.

Furthermore, for those who open a new bank account, we would check and verify customers identification and confirm the purpose of opening the account. In addition, to prevent customers' bank account from being abused for financial crimes, we make continued efforts to give attention to customers about those crimes of selling, buying, or handing over a bank account by using leaflets and our website.

Measures to Prevent Loss from Counterfeit or Stolen ATM Cards

IC cards have been introduced to prevent harm due to cash card forgery and theft. To prevent peeping, rearview mirrors have been installed, and ATM screens have been equipped with polarized film and provided with reminder displays about password management.

Security Measures for Internet Banking Service

A variety of effectual security measures have been established to prevent unauthorized third-party access and fake transactions through phishing and computer viruses.

MUFG Bank (the Bank) and Mitsubishi UFJ Trust and Banking (the Trust Bank) have introduced an electronic certification system, which displays a warning message if an email from the Bank or the Trust Bank has been tampered with. This system also allows customers to confirm on their computers that the server they access during Internet transactions is authentic.

In addition, in order to authenticate online transactions for individual customers, the companies provide the "One-Time Password Card," giving the user a password that is valid only once per transaction. (the Bank and the Trust Bank also provides this service through a smartphone application.) This service greatly reduces the risk of fraudulent transactions by third parties.

Security measures for corporate customers include the Internet services "BizSTATION" (the Bank) and "the Bank Business Direct" (the Trust Bank) and the provision of the "One-Time Password Card" (the Bank) and the "One-Time Password Token" (the Trust Bank).

Furthermore, MUFG has been implementing various security measures such as suggesting customers to use "Rapport", a free anti-virus dedicated software to prevent customers' PCs from infecting malware while using our Online Banking.

Efforts to Detect Unauthorized Credit Card Use

Mitsubishi UFJ NICOS is committed to complying with the Payment Card Industry Data Security Standard (PCIDSS), an international security standard for the credit card industry, developed to ensure the safe handling of credit card membership data. In September 2010, we acquired compliance certification for the EC Card Payment System, which provides credit card payments via the Internet. Since then, the scope of application has been gradually expanded, and in December 2014, we have obtained compliance certification for major systems, striving to maintain and improve security.

Also, in order to prevent customers from being involved in malicious credit card crimes, we have introduced a fraud detection system which monitors customers' credit cards 24/7 for unauthorized use by third parties.

In order for customers to use their credit cards with peace of mind, we may temporarily suspend the use of the relevant credit cards and contact the card holders when suspicious transactions are detected on the credit card accounts. For customers whose card information may have been leaked to a third party, we are taking measures such as replacing the credit cards in issue with new cards.

Acquisition of ISO / IEC27001 Certification

Production systems' operational units of NICOS cards of Mitsubishi UFJ NICOS has acquired the internationally recognized ISO/IEC 27001 certification for information security management systems as a part of their efforts to.

Acquired PrivacyMark (PMark) Licensed Operator Certification

NICOS and ACOM have obtained PrivacyMark (PMark) certification from the Japan Institute for Promotion of Digital Economy and Community (JIPDEC) that evaluates the level of protection of personal information. Privacy Mark (P Mark) certifies that the business operator complies with the JIS standard for personal information (JISQ15001:2017), which has established a system to take appropriate protection measures for personal information. We are working to maintain and improve the level of protection of customers' personal information.

Global Financial Crimes Policy Statement

Global Financial Crimes Policy Statement

Financial Crimes Risk Management Overview

Mitsubishi UFJ Financial Group, Inc. ("MUFG") and its Subsidiaries^(note) are committed to supporting the integrity of the financial system and combating financial crimes. Consistent with this commitment, MUFG has established enterprise-wide policies that require the Subsidiaries to implement risk-based programs designed to help detect, deter, and prevent financial crimes as well as assess and mitigate related risks in a manner consistent with applicable laws, rules, regulations, supervisory guidance, and industry best practices.

(note) MUFG Bank, Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Mitsubishi UFJ Securities Holdings Co., Ltd.; Mitsubishi UFJ NICOS Co., Ltd.; and ACOM CO., LTD.

MUFG's Approach to Financial Crimes Risk Management

MUFG established the Global Financial Crimes Division ("GFCD") to define and oversee the implementation of consistent financial crimes risk management controls Group-wide. Each Subsidiary has established Compliance Divisions responsible for managing their respective financial crimes compliance programs under the oversight of their Boards of Directors, who have ultimate responsibility for the overall control framework.

Led by financial crimes compliance specialists, GFCD and the Subsidiary Compliance Divisions address the three financial crimes risk areas – Anti-Money Laundering ("AML")/Countering the Financing of Terrorism ("CFT"), Sanctions, and Anti-Bribery and Corruption ("ABC"). The Policy Statements for each of the three financial crimes risk areas are below.

Employee Responsibilities

Our people play an important role in the fight against financial crimes. All employees are responsible for complying with the MUFG and Subsidiary financial crimes compliance policies, asking questions, and escalating concerns, including seeking advice from a supervisor, Compliance Officer, or through our anonymous reporting channels. MUFG and its Subsidiaries prohibit retaliation against anyone who raises concerns in good faith.

Policy Statements

AML/CFT Policy Statement

MUFG and its Subsidiaries are committed to complying with both the letter and spirit of applicable AML/CFT laws everywhere we do business. This commitment includes zero tolerance for known acts of money laundering and terrorist financing.

Specifically, the MUFG AML/CFT Policy, which is made available to all employees in the form of Subsidiary-level AML policies, prohibits:

- Knowingly facilitating or participating in any financial crimes activity or any activity that facilitates financial crimes (e.g., money laundering and financing of criminal activities);
- Ignoring information or circumstances that may be indicative of financial crimes;
- Informing any person known to be involved or suspected of being involved in illegal or suspicious activity that such activity is being investigated or reported internally and/or to law enforcement authorities and regulatory agencies (known as “tipping off”);
- Allowing a new customer to transact prior to completion of the know-your-customer (“KYC”) process;^(note) or
- Onboarding a prohibited customer type, without appropriate exception or exemption.

(note) MUFG Subsidiaries may permit a potential customer to execute transactions before completing the customer verification process where doing so is essential to avoid interruptions to the normal conduct of business and does not conflict with local law. In limited circumstances, a Subsidiary may permit a temporary extension to complete the KYC process or an exemption/exception from a particular KYC requirement.

Consistent with the MUFG AML/CFT Policy, the Subsidiaries have established AML/CFT compliance programs, including the following control processes to the extent applicable:

- Designated persons responsible for their Subsidiaries’ AML/CFT compliance programs, including, as appropriate, dedicated AML/CFT officers in each country of operation;
- Annual AML/CFT risk assessments;
- KYC processes that require identification and appropriate verification of customer identities (including identification of ultimate beneficial owners), customer screening, customer due diligence, enhanced due diligence, customer acceptance/rejection, and customer reviews;
- Transaction monitoring systems and processes designed to detect unusual and potentially suspicious activity;
- Investigation processes to identify and report suspicious activity in compliance with applicable regulatory requirements;
- Prohibitions on relationships with certain customer types, including a prohibition on relationships with shell banks;
- AML/CFT information-sharing and record keeping processes; and
- Periodic employee training on applicable AML/CFT risks and controls (e.g., policy and procedure requirements).

Sanctions Policy Statement

MUFG and its Subsidiaries are committed to complying with both the letter and spirit of applicable economic sanctions laws everywhere we do business. This commitment includes zero tolerance for acts of sanctions circumvention and evasion.

The MUFG Sanctions Policy, which is made available to all employees in the form of Subsidiary-level sanctions policies, prohibits the funding of accounts and the processing of payments for, on behalf of, or for the benefit of, sanctions targets or jurisdictions in violation of applicable sanctions, including those established by U.S. Department of the Treasury's Office of Foreign Assets Control and the Ministry of Finance in Japan. Consistent with the MUFG Sanctions Policy, the Subsidiaries have established sanctions compliance programs, including the following control processes to the extent applicable:

- Sanctions screening and reviews with respect to customer on-boarding and processing of transactions;
- Annual assessments of sanctions risks and controls; and
- Periodic employee training on applicable sanctions risks and controls (e.g., policy and procedure requirements).

ABC Policy Statement

MUFG and its Subsidiaries are committed to fostering a corporate culture of ethical business practices and compliance with both the letter and spirit of the law everywhere we do business. This commitment includes zero tolerance for acts of bribery and corruption.

The MUFG ABC Policy, which is made available to all employees in the form of Subsidiary-level ABC policies, comprehensively addresses the key concepts of bribery and corruption and prohibits offering, giving, soliciting, or receiving, directly or indirectly, anything of value to or from anyone in exchange for an improper business benefit or advantage. The Policy also prohibits facilitation payments and falsifying books, records, and accounts relating to Subsidiaries' business activities.

Consistent with the MUFG ABC Policy, the Subsidiaries have established ABC compliance programs including the following control processes, which comprehensively address bribery and corruption:

- Annual assessment of bribery and corruption risks and controls;
- Risk-based due diligence and oversight of third-party service providers who act on a Subsidiary's behalf (i.e., intermediaries);
- Review of gifts and hospitality, offers of employment/work experience, and charitable donations, particularly activities involving public officials;
- Evaluation and management of risks associated with business transactions, including mergers and acquisitions; and
- Periodic employee training on applicable bribery and corruption risks and controls (e.g., a review of key concepts of bribery and corruption, including different elements/types, and policy and procedure requirements).

Additional Program Elements

In addition to compliance programs for each risk area, the Subsidiaries have established core functions that are applicable to all three programs, including record keeping/retention, monitoring and reporting to governing bodies (e.g., board- and management-level committees), and audit management functions.

Basic Stance toward Tax

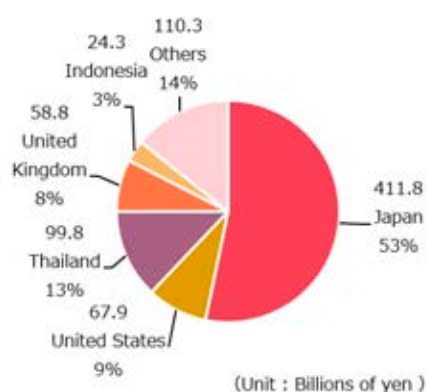
MUFG Tax Policy

MUFG Group (Mitsubishi UFJ Financial Group, Inc. and its consolidated subsidiaries) recognizes that as a corporate citizen, putting its best efforts into making appropriate tax payments is an important duty. As stated below, we are committed to complying with laws and regulations enforced in countries and regions in which we operate and fulfilling our tax obligations in a fair and appropriate manner.

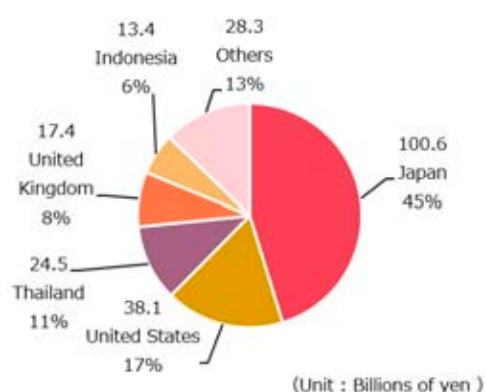
1. MUFG Group, in performing their duties, abides by all tax laws and regulations in each country and region where we operate.
2. MUFG Group does not engage in any business activities, transactions, corporate formations, etc. deemed to be Tax Evasion or Aggressive Tax Avoidance.
3. MUFG Group shall not provide financial products or services that may assist or enable MUFG customers to engage in behavior deemed to be Tax Evasion or Aggressive Tax Avoidance.
4. MUFG Group cooperates with sincerity and transparency with the Tax Authorities to maintain a trustful relationship.
5. MUFG Group strives to enhance corporate governance regarding tax compliance and to increase the awareness of tax compliance by providing education and training opportunities to our employees.
6. MUFG Group is committed to complying with the BEPS Action Plan, OECD Transfer Pricing Guidelines, and other international tax rules.

Profit before Income Tax and Corporate Income Tax per Country

**Profit before Income Tax
(FY2020)**



**Income Tax Accrued
(FY2020)**



(note) The figures shown above are based on the Country-by-Country Report (CbCR) submitted to the Japanese tax authorities and are those for the top five countries in terms of revenue.

Protection of Personal Information

Initiatives related to protection of personal information

- In accordance with the MUFG Way, MUFG Group recognizes its social responsibility to handle customers' personal information, Individual Numbers and specific personal information (hereafter, "specific personal information, etc.") appropriately, and has established the MUFG Group Personal Information Protection Policy. We do our utmost to ensure the protection of our customers' personal information and specified personal information, etc., by having all executives and employees comply with this policy.
- The MUFG Group Personal Information Protection Policy applies to all MUFG Group operations that handle personal information and specified personal information, etc. Any handling of personal information and specified personal information, etc., that is outsourced to an external contractor is done so under a contract, etc., based on the MUFG Group Personal Information Protection Policy.
- MUFG Group has incorporated the MUFG Group Personal Information Protection Policy into the compliance management of each Group company and clarified various safety control measures and management methods related to personal information, as well as corrective measures in the event of an information leakage, etc.
- The MUFG Global Compliance Division, as the department responsible for the management of personal information protection at MUFG Group, handles the integrated management of personal information protection within MUFG Group.
- Based on the MUFG Group Personal Information Protection Policy, each Group company has established regulations for the protection and management of personal information, and has designated people and departments in charge, their roles, etc., to integrate the management of personal information protection.
- The department that oversees the management of personal information protection at each Group company is responsible for the integrated management of personal information protection, including the consolidation of internal regulations, reporting to the Board of Directors, etc. In addition to developing a system for the protection of personal information, the department provides guidance to relevant departments and provides training, etc., to ensure that customers' personal information and specified personal information, etc., is handled appropriately. Training sessions for all executives and employees (including contract/temporary employees) are held regularly as part of efforts to enhance our personal information protection management system.
- At MUFG Group, we conduct internal audits to ensure appropriate management of personal information protection.
- MUFG Group was not subject to any administrative punishment related to protection of personal information in fiscal year 2021.

Participation to Initiatives

MUFG participates in and endorses a variety of initiatives to meet the social responsibilities as a financial institution, meet the demands of the international community, and contribute to the realization of a sustainable society. (Listed in descending order of endorsement)

Environment

United Nations Environment Program Finance Initiative

MUFG is a signatory to the United Nations Environment Program Finance Initiative (UNEP FI). It is a public-private partnership "seeking to encourage the better implementation of environmental and sustainability principles at all levels of operations in financial institutions".



CDP

CDP (formerly the Carbon Disclosure Project) is a project that institutional investors from around the world work together and urges corporations to disclose their strategies on climate change as well as detailed data on their greenhouse gas emissions. MUFG has participated in the project since 2004.



Climate Change

Integrity Council for Voluntary Carbon Markets (IC-VCM)

The Integrity Council for Voluntary Carbon Markets is a governance body established with the aim of expanding the carbon credit market effectively and efficiently to achieve the goals of the Paris Agreement. IC-VCM is developing framework for verification and assessment of voluntary carbon credit. MUFG joined the Council in August 2021.

Energy Transition Initiative-Center for Global Commons (ETI-CGC)

In November 2021, the University of Tokyo and 13 major domestic companies launched the Energy Transition Initiative – Center for Global Commons (ETI-CGC) as an initiative to help with decarbonization.

We advance discussions of pathways to achieve carbon neutrality in Japan.

As a founding member of ETI-CGC, MUFG is actively contributing to the activities of ETI-CGC from the standpoint of a financial institution.

Net Zero Asset Managers initiative (NZAM)

This initiative aims for global asset management companies that have endorsed the intent of the agreement, to achieve net zero greenhouse gas emissions by 2050, in order to achieve the targets agreed in the Paris Agreement (namely to keep global average temperature increases below 2°C and 1.5°C compared to pre-Industrial Revolution).

In November 2021, Mitsubishi UFJ Trust and Banking Corporation and its affiliated asset management companies, Mitsubishi UFJ Kokusai Asset Management Co., Ltd., MU Investments Co., Ltd., Mitsubishi UFJ Asset Management (UK) Ltd. have decided to participate in this initiative.

Partnership for Carbon Accounting Financials (PCAF)

In August 2021, MUFG joined the PCAF, an international initiative launched in 2015 with the aspiration to standardize the measurement and disclosure of financed emissions.



Glasgow Financial Alliance for Net Zero (GFANZ)

Advocated and launched by Mark Carney at the Climate Leaders' Summit hosted by the US government in April 2021, GFANZ is a consortium of financial institutions that integrates initiatives (including NZBA and NZAM) in which the financial industry leads net zero by each business sectors. MUFG actively participates in GFANZ working groups.

In June 2021, MUFG joined NZBA, which is a part of GFANZ.

Net-Zero Banking Alliance (NZBA)

The NZBA is an initiative convened by the United Nations Environment Programme Finance Initiative (UNEP-FI), which was launched in April 2021 by 43 banks around the world with the aim of achieving net-zero GHG emissions from financed portfolios by 2050.

In June of the same year, MUFG became the first Japanese financial institution to join the NZBA. In addition, MUFG has been selected as one of the Asian regional representatives of the Steering Group consisting of 12 banks elected from each

region.

MUFG also leads the Financing & Engagement Work Track, which is tasked to create a robust framework for transition finance. In addition MUFG participates in the Glasgow Financial Alliance for Net Zero (GFANZ) working group, which brings together sector-specific initiatives in finance, including the NZBA and NZAM, that are leading the way to reach net zero.

In addition, MUFG chairs the Financing and Engagement Working Truck, which is responsible for creating a concrete framework for transition finance.

The Poseidon Principles

The Bank has joined the Poseidon Principles, a global framework established by financial institutions for promoting shipping industry's decarbonization.



Keidanren Challenge Zero

Challenge Zero (Challenge Net Zero Carbon Innovation) is an initiative of Nippon Keidanren (Japan Business Federation) in collaboration with the Japanese government to strongly communicate and encourage innovative actions by companies and organizations to tackle the challenge of realizing a decarbonized society, which is the long-term goal of the Paris Agreement. MUFG participates in this initiative and contributes to the realization of a net zero society through sustainable finance.



Climate Action 100+

Climate Action 100+ was established by global investors in December 2017 as an initiative to encourage companies around the world that emit large amounts of greenhouse gases to take steps to climate change. Mitsubishi UFJ Trust and Banking Corporation has been participating in the initiative since 2018 and making relevant engagement with its investments.



Climate Change Initiative

MUFG has been participating in the Climate Change Initiative since 2018, a network to strengthen the dissemination of information and the exchange of ideas among companies, municipalities, NGOs and other organizations that are actively working to combat climate change, with the aim of achieving a decarbonized society.



Task Force on Climate-Related Financial Disclosures (TCFD)

MUFG supports the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB).



The recommendations developed by TCFD encourage companies to disclose climate change-related business risks and opportunities and to share information with investors.

Moreover, in May 2019, Mitsubishi UFJ Trust and Banking also declared support in its capacity as an asset management company.

Natural capital and Biodiversity

30by30 Alliance for Biodiversity

The Alliance was established in April 2022 as a coalition of the willing to implement the various measures incorporated in the 30by30 Roadmap formulated by the Ministry of the Environment.

Alliance participants make efforts to directly secure conservation areas or support conservation activities towards achieving the 30by30 target and disseminate the progress of such efforts.

MUFG supports the purpose of the Alliance and has been participating in it since its launch.



Taskforce on Nature-related Financial Disclosures (TNFD) Forum

The TNFD is an international initiative launched in June 2021 by the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), the World Wide Fund for Nature (WWF) and Global Canopy. TNFD aims to shift global financial flows toward nature-positive outcomes through disclosure of nature-related information by companies. The TNFD Forum is a stakeholder organization to provides information and technical support related to TNFD.

MUFG, together with group companies Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Research & Consulting Co., Ltd., which began participating in the TNFD Forum in September and October 2021 respectively, will participate in the TNFD Forum to promote initiatives for natural capital and biodiversity as a group.

Declaration of Biodiversity by Keidanren

MUFG endorses the Declaration of Biodiversity by Keidanren and Action Policy, as revised in October 2018.



Others

The Sustainable Markets Initiative (SMI)

SMI is an initiative that Prince Charles of the United Kingdom called on companies to work together to promote and accelerate the realization of a sustainable future in 2020.

MUFG participate in the Financial Services Task Force and will contribute to the realization of a sustainable and environmentally friendly society and the promotion of decarbonization from the standpoint of a finance institute.



Japan Partnership for Circular Economy

MUFG has joined the Japan Partnership for Circular Economy (J4CE) that the Ministry of the Environment, the Ministry of Economy, Trade and Industry, and Keidanren (Japan Business Federation) launched in March 2021 with the aim of fostering a better understanding of the circular economy among a wide range of stakeholders, including domestic companies, and promoting its initiatives.



Operating Principles for Impact Management

The Bank is a signatory to the Operating Principles for Impact Management, a global market standard for impact investment developed mainly by the International Finance Corporation (IFC^(note)). The Bank is the first private financial institution in Japan to join the initiative.



[Verifier Statement \(PDF / 125KB\)](#)

[Annual Disclosure Report \(PDF / 758KB\)](#)

(note) An institution of the World Bank Group. Established in 1956, one of the world's largest international financial institutions specializing in private sector development in developing countries. Through cooperation with the private companies in about 100 countries around the world, the organization helps to eradicate extreme poverty and promote shared prosperity.

Principles for Responsible Banking (PRB)

The Principles for Responsible Banking have been developed by the United Nations Environment Programme Finance Initiative (UNEP FI) to align the banking sector with society's goals as expressed in the SDGs, the Paris Climate Agreement, and other relevant frameworks. MUFG is a signatory in 2019.



Principles for Financial Action for the 21st Century

MUFG Bank (the Bank) and Mitsubishi UFJ Trust and Banking (the Trust Bank) have been signatories to Principles for Financial Action towards a Sustainable Society (also known as Principles for Financial Action for the 21st Century) since their first announcement in November 2011. These principles established mainly through the proactive efforts of financial institutions include seven principles for financial institutions that want to take an active role and responsibility in the creation of a sustainable society, and guidelines tailored to each sector to implement the principles. the Bank, the Trust Bank and the Leasing Business will continue to make active efforts for the environment and society based on the principles.



UN Global Compact

MUFG has endorsed the United Nations Global Compact, a principle-based framework of voluntary action which is announced by then UN Secretary-General Kofi Annan in 1999. It calls to companies and organizations around the world to align strategies and operations with universal principles on human-rights, labor, the environment and anti-corruptions, and take actions that advance societal goals. As a financial group aspiring to make "contribution to realize sustainable society", MUFG agrees and supports the principles of the Global Compact and addresses to fulfill our responsibility as a global citizen.



Principles for Responsible Investment (PRI)

UNEP FI and the UN Global Compact jointly promote the Principles for Responsible Investment (PRI), which were announced in 2006. The PRI are intended to improve long-term investment performance by incorporating environmental, social and corporate governance (ESG) issues into investment decision making within the fiduciary responsibility.



In May 2006, Mitsubishi UFJ Trust and Banking (the Trust Bank) was among the first financial organizations in Japan to sign up to the Principles. Since then, the Trust Bank has been actively promoting investment practices based on the PRI in Japan.

Equator Principles

Bank of Tokyo Mitsubishi UFJ adopted the Equator Principles (EP) as a framework ensuring environmental and social considerations when financing large-scale development projects.



Adoption and adherence to the Equator Principles, a risk management framework to determine, assess and manage environmental and social risks and impacts in projects

External Evaluation

A selection of sustainability-related assessments are provided. Please click [here](#) for all external assessments of MUFG.

External Assessment of Our Sustainability Initiative

New Elements of the ESG Index

FTSE Blossom Japan Index	FTSE Blossom Japan Sector Relative Index	MSCI Japan Empowering Women Index (WIN)	MSCI Japan ESG Select Leaders Index
 FTSE Blossom Japan	 FTSE Blossom Japan Sector Relative Index	2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)	2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX
S&P JPX Carbon Efficient Index	FTSE4Good Index Series	Bloomberg Gender–Equality Index	Sompo Sustainability Index
 S&P Global Carbon Efficient Index	 FTSE4Good	 Bloomberg Gender–Equality Index 2022	2022  Sompo Sustainability Index

Award for Our Sustainability Initiatives

Received ESG Finance Award

The Bank was awarded Gold in the Banking Category at the Third ESG Finance Awards Japan (Minister of Environment Award) hosted by the Ministry of the Environment. The Securities was awarded Silver in the Financial Services (Securities) Category. In addition, MUFG was selected as an Environmental Sustainable Company.



2022 Wind Investment Awards: Lender of the Year (EMEA)

MUFG is proud to have been awarded Lender of the Year at the 2022 Wind Investment Awards, recognised in this category for the third year in a row.

The annual Wind Investment Awards from A Word About Wind is a platform to celebrate best practice in the global onshore and offshore wind industry, incorporating innovation, financing, project development and asset management.

During 2021, MUFG committed over USD \$12 billion to the renewables sector as a whole, with a number of these being first-of-a kind, innovative projects.



ESG Finance Awards and Achievements (Krungsri)

Krungsri (Bank of Ayudhya) has been actively promoting ESG finance and is regarded as one of the key players in Thailand's ESG market.

In 2021, they received the honor of being awarded multiple awards from leading national and international institutions, including The Asset Award, IFR ASIA Awards, and ThaiBMA Best Bond Awards 2021 for delivering financial innovations which meets customer needs and promote sustainable growth.



3rd Nikkei SDGs Management Survey: 5 stars

MUFG earned the highest rating five stars in the 3rd Nikkei SDGs Management Survey, conducted by Nikkei Inc., designed to evaluate and rate businesses' efforts toward the realization of the United Nations' SDGs.



5th Nikkei Smart Work Management Survey: 4.5 stars

MUFG was recognized as a 4.5-star company in the 5th Nikkei Smart Work Management Survey, which selects leading companies taking on the challenge of revolutionizing productivity through work style reforms. The survey, conducted by Nikkei Inc., covers both listed and leading unlisted companies across Japan, and defines "smart work management" as an initiative to maximize organizational performance through three elements: realization of diverse and flexible work styles, the system that creates new businesses, and the ability to develop markets. With corporate governance and other management foundations, companies are rated on a five-star scale.



Nadeshiko Brand

MUFG has been selected for inclusion in Semi- Nadeshiko Brand, a recognition jointly conferred by Japan's Ministry of Economy, Trade and Industry(METI) and the Tokyo Stock Exchange(TSE).



Gold Rating and Best Practice selection on PRIDE Index

In November 2021, a number of initiatives in Japan were evaluated and received the top gold rating^(note1) on the "PRIDE Index^(note2)."

MUFG also received a Best Practice selection, which recognizes outstanding initiatives^(note3).



(note1) Rating based on the evaluation of initiatives by each company of MUFG Bank, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Morgan Stanley Securities, Mitsubishi UFJ NICOS, MUS Business Service, and MUSIS

(note2) Japan's first index that evaluates companies' LGBT-related initiatives operated by a private organization "work with Pride".

(note3) MUFG, together with Mizuho Financial Group, Inc., and Sumitomo Mitsui Financial Group Co., Ltd., created a message video. The video project was selected as a Best Practice outstanding initiative.

Kurumin and Platinum Kurumin Certification

Each Group company is Kurumin certified under the Act on Advancement of Measures to Support Raising Next-Generation Children. This certification by the Ministry of Health, Labour and Welfare (MHLW) recognizes a business as a childcare support company based on set requirements in support of balancing work and childcare. Companies that meet even higher standards receive a Platinum Kurumin certification.

<Kurumin certified companies>

- MUFG Bank
- Mitsubishi UFJ Trust and Banking
- Mitsubishi UFJ Morgan Stanley Securities
- Mitsubishi UFJ NICOS
- ACOM
- Mitsubishi UFJ Research and Consulting
- Master Trust Bank of Japan
- Mitsubishi Research Institute DCS
- Mitsubishi UFJ Information Technology
- Mitsubishi UFJ Trust Systems
- Mitsubishi UFJ Kokusai Asset Management
- MUS Business Service
- MU Communications
- JACCS
- Chukyo Bank
- Mitsubishi UFJ Factors
- MUS Information Systems
- Mitsubishi HC Capital

<Platinum Kurumin certified companies>

- MUFG Bank
- Mitsubishi UFJ Morgan Stanley Securities
- Master Trust Bank of Japan
- Mitsubishi Research Institute DCS
- Mitsubishi UFJ Information Technology
- Mitsubishi UFJ Trust Systems
- MU Communications
- MUS Information Systems
- MUS Business Service
- Mitsubishi HC Capital

(As of July 2022)



Eruboshi Certification

Each Group company is Eruboshi certified under the Act on the Promotion of Women's Participation and Advancement in the Workplace. Eruboshi certification is awarded by MHLW in Japan to companies that demonstrate excellence in promoting women's advancement. It is a three-level certification based on certain criterion.

<Eruboshi certified companies>

- JACCS (1st-level)
 - Mitsubishi UFJ Information Technology (2nd-level)
 - Mitsubishi UFJ Trust Systems (2nd-level)
 - Mitsubishi HC Capital (2nd-level)
 - Mitsubishi UFJ Research & Consulting (3rd-level)
 - Master Trust Bank of Japan (3rd-level)
 - MUS Business Service (3rd-level)
 - Mitsubishi Research Institute DCS (3rd-level)
- (As of July 2022)



Tomonin

Certified to bear the "Tomonin" symbol, a mark granted by the Ministry of Health, Labour and Welfare to companies supporting employees who strive to balance between work and nursing care.



Assessment by ESG Rating Agencies

Entities	FY2020	FY2021	Most Recent Result (As of September 2022)
MSCI ^(note)	BBB	A	—
FTSE ^(note)	3.4	3.3	3.9
Sustainalytics ^(note) (lower scores are better)	20.6	19.3	18.4
S&P Dow Jones ^(note) (Percentile rank)	75	74	—
CDP ^(note)	B-	B	—
Nikkei SDGs	★4.5	★5.0	—
Toyo Keizai	372.3	389.9	—

(note) Subject for the evaluation of executive remuneration

MUFG Ranked 2nd Overall in the Toyo Keizai SDGs Corporate Ranking 500 (July 2022)

Among 1631 companies listed in the CSR Corporate Directory, MUFG ranked second in the overall ranking of the Toyo Keizai SDGs Corporate Ranking 500, which evaluates companies in four categories: human resource utilization, environment, society, and corporate governance.

We received high evaluations in each category for the promotion of female employees' empowerment, proactive efforts toward the transition to a decarbonized society, and implementation of microfinance at partner banks.

Various Reports/Data/Index

Various Reports

Sustainability Report

Progress Report

Moving towards Carbon Neutrality

TCFD Report

Human Resource Report

MUFG Reports

Corporate Governance Report

Data

ESG Data

Third Party Assurance/Third Party Verification

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GRI

SASB/SCM/PRB